

China's Army Fighting To Live Up to Its Image

Despite Campaign to Modernize, Inefficiency, Low Morale Persist

By Daniel Southerland
Washington Post Service

BEIJING — The Chinese Army, celebrating its 60th anniversary, has dominated the news this week, portraying itself as a modernizing force opening up to the outside world.

The army, which has traditionally valued secrecy and viewed foreigners with mistrust, even announced that it would start sending promising young officers to study in military academies abroad.

Nevertheless, according to some foreign military experts, the world's largest fighting force remains more than 20 years behind the leading powers in its weapons technology, is top-heavy with officers who enjoy special privileges, and, in some units, is plagued by poor morale.

High Chinese military officials assert that they have succeeded in reducing the army's ranks by a million men, or nearly one-fourth of the total, in an effort to make it leaner and more efficient.

But one foreign expert said that it has apparently taken the leadership longer than was originally expected to reduce the army's size because of resistance from officers who cherish their privileges and influence.

The anniversary has produced a steady stream of television programs, books and newspaper articles describing the history of the army and praising its heroes and its efforts to modernize. The public image is one of an invulnerable, computerized fighting force.

But a careful reading of speeches by military leaders in recent days gives the impression that they are on the defensive.

Yang Shangkun, vice chairman of the Central Military Commission, said: "It is very dangerous to neglect the modernization of the military on the assumption that a large-scale war is not possible for a period of time."

Mr. Yang, who is close to the senior leader, Deng Xiaoping,

warned against "a weakening concept of national defense and a slackening of vigilance." The veteran revolutionary said that "even people in the military" might not understand the need to strengthen the army.

Some observers said that Mr. Yang appeared to be fighting to maintain the army's influence within the Communist Party as the party approaches a major congress this October. The congress is expected to produce major shifts in the party's senior leadership.

With party leaders emphasizing economic development over military spending in recent years, the army has suffered a number of blows to its power and prestige.

The percentage of the state budget devoted to military expenditures has dropped, according to Defense Minister Zhang Aiping. Mr. Deng and his allies have sharply reduced military representation in the Politburo and Central Committee. Hundreds of defense factories have been diverted to civilian production.

For more than a decade, Mr. Deng has advocated the need to cut the size of the country's "bloated" army. One hidden aim of the troop cuts may be to eliminate older officers who oppose his economic policies.

To entice older officers to retire, Mr. Deng has had to guarantee a continuation of full pay and many of the same privileges.

He has made some headway, according to one American expert on China's military, June Teufel Dreyer, a professor at the University of Miami, describes the current demobilization effort as a "qualified success."

For one thing, she says, the median age of Chinese military commanders has been lowered by eight years since 1985, with the newer people better educated than their predecessors.

In the meantime, Chinese military officials maintain, the country is still facing threats to its security.

In a recent interview with the official news agency, Xinhua, Defense Minister Zhang said that "the border areas of our country are still threatened." He accused Soviet-supported Vietnam of "making ceaseless efforts to invade us."

A foreign military attaché said that the morale of Chinese troops serving along the Vietnam border appeared to be high but that in some other units lacking a real mission, morale was low.

Middle-aged officers in those units are unhappy with their low salaries but lack the skills needed to make a good living when they are retired from the army, the attaché said.

A monthly magazine, "Life in the PLA," pointed to drunkenness and theft as problems that trouble some army units. The magazine said members of one unit not only stole coal but also, at demobilization, walked off with about 100 fur-lined coats.

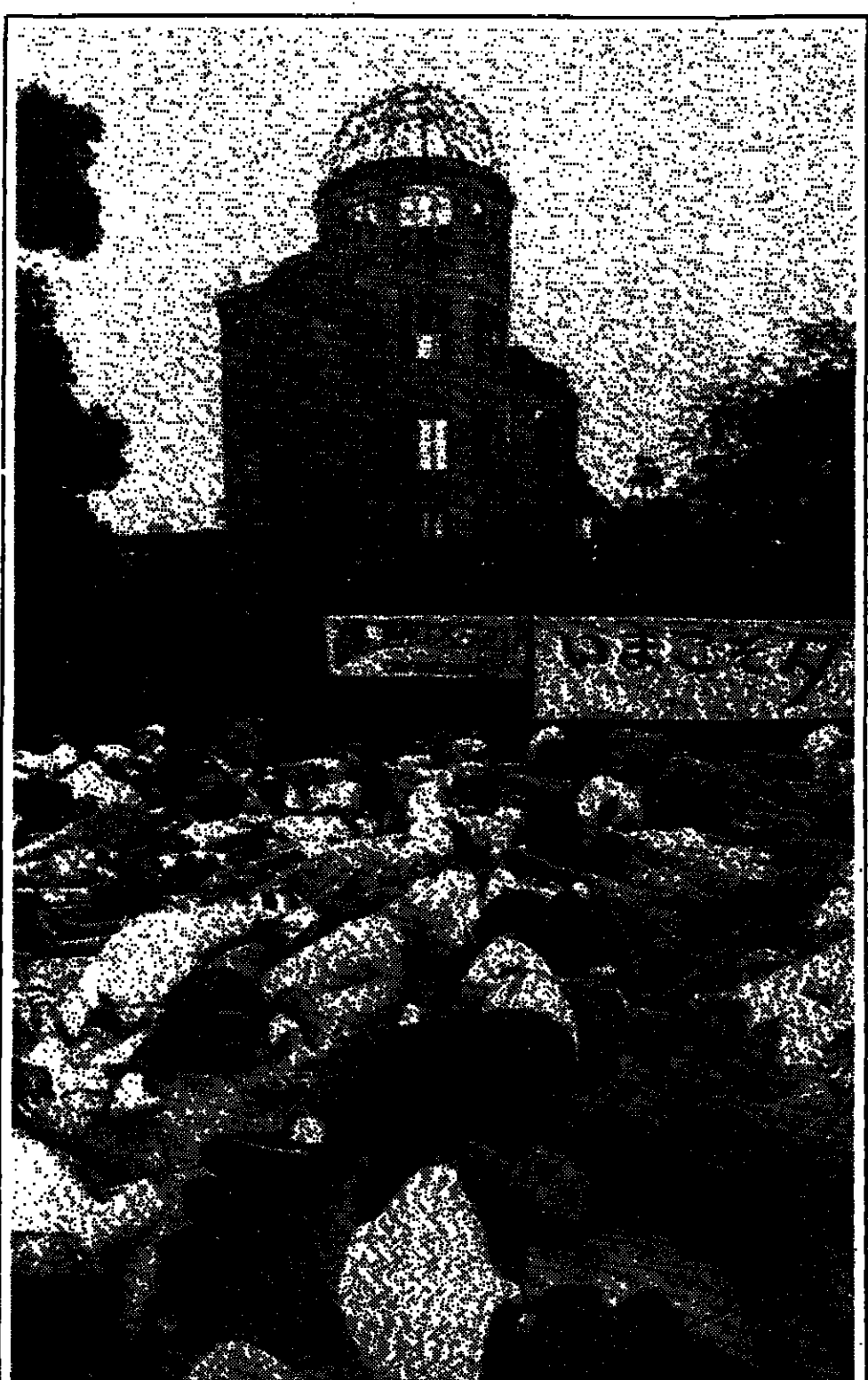
Many Chinese resent the special privileges top army officers enjoy, including chauffeur-driven Mercedes cars and much better food and housing than is available to the average Chinese.

Last Friday, 4,000 people met at the Great Hall of the People to mark the army anniversary. Among those attending was Hu Yaobang, the former chief of the Communist Party, who was forced from power earlier this year.

Senior military commanders are said to have disliked Mr. Hu, and some sources believe that this animosity contributed to his downfall. Mr. Hu appeared at the meeting, it seems, to demonstrate unity within the army and leadership.

But some Chinese were skeptical of all the publicity surrounding the army.

"If the army's prestige is so high, why do they have to keep telling us about it?" asked one Chinese journalist.



NO MORE HIROSHIMAS — At the Hiroshima Peace Memorial Park in Japan on Thursday, a group dramatized the deaths that occurred during the atomic bombing 42 years ago. A domed monument at the park, in the background, signifies the destruction.

Hong Kong's New Tide of Refugees

Vietnamese Flooding in From China Face Uncertain Fate

By Patrick Smith
International Herald Tribune

HONG KONG — Thousands of Vietnamese refugees, many of whom settled in China almost a decade ago, are flooding into Hong Kong, forcing the administration to open new holding centers.

In the past week, almost 1,200 refugees, on more than two dozen boats, have been intercepted and placed in temporary quarantine by marine police patrols. All but a handful came from Guangdong Province and the Guangxi Zhuang autonomous region in southern China.

More than 3,000 Vietnamese have arrived from the mainland since July, when the influx began, compared with less than 100 in the first half of the year.

These arrivals are separate from the flow of refugees coming directly by boat from Vietnam. This, too, has been increasing this year, after doubling in 1986.

Officials believe the influx was sparked by rumors that resettlement from Hong Kong to other countries is to increase, or that refugees would be granted the right to live in Hong Kong. In fact, mainland residents are sent back to China when they are apprehended trying to enter the colony illegally.

China is cooperating to control the flow of Vietnamese from the southern provinces, according to Hong Kong officials, and to hasten the process by which they will be accepted back on the mainland.

The Vietnamese arriving from China are among 280,000 Indochinese that have resettled on the mainland since the late 1970s. Most are of ethnic Chinese origin.

The surge in recent weeks has reignited concern over Hong Kong's refugee population among legislators and local political leaders. Hong Kong has long feared that it will be left with a permanent refugee population as nations such as the United States and Canada reduce their immigration quotas.

In May, Britain announced that it would effectively halve its accept-

ance rate from Hong Kong to about 20 refugees per month.

Accordingly, government officials are adamant that those arriving from the mainland will be treated as illegal immigrants.

"These people will be kept in detention centers, not refugee camps," an official said Thursday, "and they will definitely be repatriated to the mainland."

Despite some local resistance, the government reopened a refugee holding center on Thursday that had been closed last year. A former military installation is to be converted into a temporary camp within the next few days.

At present, the new refugees are being held on barges and on ferries normally used for harbor crossings.

Most criticism of Hong Kong's refugee program centers on its cost, which is roughly \$15 million a year.

In addition to the new boat people from the mainland, Hong Kong now has about 8,000 Vietnamese in four holding centers. Some have lived in the camps for almost a decade.

Dutch Are Staving Off New Inundation: Pig Manure

By Edward Cody
Washington Post Service

AMSTERDAM — The trouble with Holland is pig manure, tons of it.

Pig manure is overflowing storage vats. It is seeping into canals. It is polluting underground drinking water. It is even falling from the sky in acid rain.

"Pig manure is very aggressive, you might say," remarked Theodore Bruins, a member of the six-man Manure Problem Steering Committee in Brabant province, in the southern Netherlands.

The country has 14.5 million human inhabitants in 15,900 square miles (41,800 square kilometers), making it the most densely populated country in Europe. It also has a pig for every person, giving it the world's most concentrated manure pile.

Although renowned as a tolerant people, the Dutch stopped laughing at their manure problem when it became an economic and environmental issue. They have resolved to do something about it.

The agriculture and fisheries minister, Gerrit Zalm, put a \$55-million Manure Action Program into effect in May. This legislation provides subsidies for manure storage facilities and imposes new limits on how much of it a farm can produce.

The government is also subsidizing experiments to turn manure into something useful, or at least render it less offensive.

"We foresee that in the year 2000 the problem might be solved," said Mat Thissen, an official at the Agriculture and Fisheries Ministry in The Hague.

The manure problem, in effect, is the dark side of an economic success story.

Dutch farmers gained a reputation for high-quality pork produc-

ing in the 1960s and began exporting across Europe, improving the country's balance of trade and making themselves wealthy in the process.

The prosperous 1970s accelerated the trend, and more and more Dutch farmers began to raise pigs. Even today, when an Italian or a Frenchman sits down to a pork chop, it has probably come from a little farm in Holland.

As a result, the number of pigs has risen dramatically.

Agriculture officials estimate that the Netherlands had about 3 million pigs in 1960. Their estimate for today stands at more than 14 million, along with 5 million cows and 90 million chickens, which also contribute to the manure pile.

Dutch farmlands can absorb only about 79 million tons, leaving 14 million tons of manure that nobody knows what to do with.

The problem is particularly acute with pig manure, Dutch officials say.

Cows graze around large fields and their manure therefore poses few problems. But pigs are crowded together by the dozens inside concrete sheds, with their manure running into underground tanks.

Pigs produce a pungent, corrosive manure that is 92 percent water, making it uneconomical to transport as fertilizer.

"The farmers had to do something with it," said Peter Stoel, a spokesman at the Agriculture and Fisheries Ministry. "Otherwise the tank on the farm would be running over. So they had to put it on the land."

Environmentalists have been warning since the late 1960s that the increasing amounts of manure would cause problems, particularly in the southern Netherlands, where pig raising is intense. But farmers argued that they had nothing else to do with the manure.

Dumped in excess amounts, pig manure began oozing into surface water such as canals and streams. Some of it also has begun seeping into drinking water reserves.

In addition, the increasing amounts of manure spread around the land or amassed in uncovered storage vats send ammonia fumes into the sky and contribute to acid rain.

For several years the government has encouraged farmers to take pig

Shevardnadze Stands Firm On Removal Of Pershings

By Paul Lewis
New York Times Service

GENEVA — The Soviet foreign minister, Eduard A. Shevardnadze, called Thursday for the removal of U.S. nuclear warheads from West Germany's Pershing 1-A missiles and accused Bonn of undermining the Nuclear Nonproliferation Treaty.

In a hard-line speech to the 40-nation United Nations Disarmament Conference that contained no hint of compromise, Mr. Shevardnadze said that West Germany, by trying to retain the missiles, was violating the 1958 treaty, which prohibits signatory countries from acquiring nuclear weapons.

He said Germany's insistence on keeping the missiles was the principal obstacle to an agreement eliminating both superpowers' short- and medium-range nuclear arsenals.

"Seventy-two U.S. nuclear warheads now stand between us and agreement on intermediate and shorter range missiles," said Mr. Shevardnadze, speaking on the anniversary of the U.S. bombing of Hiroshima 42 years ago. "We have done all in our power. We have removed everything that could stand in the way of an agreement."

He added: "Our partners have found the snags. The main one is the Pershing 1-A missile."

U.S. disarmament negotiators reacted to Mr. Shevardnadze's speech by accusing him of trying to "intimidate" West Germany.

A U.S. official said: "The Federal Republic of Germany, facing massive conventional and nuclear weapons from the East, is understandably concerned about its security. We share that concern, as does the whole NATO alliance."

The official described the Soviet foreign minister's speech as "positive" insofar as it acknowledged that a nuclear missile agreement was close. The official urged a reduction in the "level of rhetorical offensiveness" and a return to "serious and quiet negotiation."

In an hour-long address, Mr. Shevardnadze warned that if Germany insisted on keeping the Pershings, the Soviet Union would match them in Eastern Europe, rendering the proposed disarmament agreement "truncated, emasculated and anemic."

His unyielding stance came in advance of expected talks with the senior U.S. arms negotiator, Max M. Kampelman, who flew in from Washington for the meeting. U.S. officials said the speech appeared to rule out any quick compromise on the German missile issue at the disarmament discussions here.

The chief U.S. delegate to the conference, Max L. Friedersdorf, repeated the Reagan administration's view that the Pershings are German and therefore outside the scope of the superpower negotiations, even though their nuclear warheads remain under U.S. control.

"The U.S. will not negotiate on third-country systems," he said, adding that "it is up to Germany to decide the fate of the Pershing 1-A's."

But the German delegate, Paul-Joachim von Stillingal, further highlighted the ambiguous position of the missiles by saying that his government was "in full compliance" with the Nonproliferation Treaty, since the warheads are part of the U.S. nuclear arsenal.

WORLD BRIEFS

Sri Lanka Orders Tamil Rebels Freed

COLOMBO, Sri Lanka (Reuters) — Sri Lanka ordered the release of about 4,000 suspected Tamil separatist guerrillas Thursday and said the first group could be sent to the Tamil-dominated Jaffna peninsula as soon as Friday.

Diplomats and Sri Lankan military officers said guerrillas were continuing to hand over weapons to government and Indian troops, in line with the accord signed last week by Sri Lanka and India to end Sri Lanka's four-year ethnic conflict. The release of prisoners was also provided for by the accord.

Labor Unrest Grows in South Korea

SEOUL (AP) — Dozens of South Korea's major industrial plants were idle Thursday as thousands of workers staged sometimes violent stoppages to demand higher wages and better working conditions, the Labor Ministry said.

Job actions were begun at 18 plants Thursday, bringing to 54 the number of factories across South Korea affected by walkouts, temporary stoppages and plant closings, ministry officials said.

Chile to Move Up Presidential Vote

SANTIAGO (AFP) — A national presidential plebiscite will be held early next year rather than in the autumn, according to a close associate of President Augusto Pinochet.

"We are only 200 days away from the plebiscite," General Eduardo Ibanez, governor of the Bio Bio region, said Wednesday during a public ceremony. General Pinochet has campaigned throughout the country recently, despite some opposition in the military to the continuation of his rule.

A center-right coalition is expected to challenge General Pinochet, who has ruled Chile since he led a 1973 coup that overthrew the elected government of Salvador Allende.

Pretoria, Maputo to Probe Massacre

JOHANNESBURG (WP) — South Africa and Mozambique agreed Thursday to set up a joint commission to investigate the massacre of more than 400 civilians in Mozambique last month and to review the overall security situation in southern Africa.

The agreement between Foreign Minister R.F. Botha and Jacinto Veloso, the Mozambican minister of cooperation, represented a breakthrough in attempts to patch up the nonaggression pact between the two countries following allegations by Mozambique that South Africa was responsible for the July 18 massacre in the coastal town of Homoine.

U.S. to Press Israel on Peace Talks

WASHINGTON (Reuters) — Secretary of State George P. Shultz said Thursday that he was sending an aide to Israel to push the possibilities of Arab-Israeli peace talks.

The coalition Israeli government is divided over a Jordanian proposal for an international Middle East peace conference that would be convened by the five permanent members of the United Nations Security Council: Britain, China, France, the Soviet Union and the United States.

Mr. Shultz hinted strongly that his executive assistant, Charles Hill, would urge Prime Minister Yitzhak Shamir to be more flexible on the question of such a conference. Mr. Shamir has opposed the idea adamantly.

For the Record

Pakistan has rebuffed renewed suggestions that it allow inspection of its nuclear facilities to demonstrate that it is not making nuclear weapons, Reagan administration officials said Wednesday. The latest comments were made during a visit to Pakistan by Michael H. Armacost, the U.S. undersecretary of state for political affairs. (NWT)

Peruvian guerrillas fired a mortar round at President Alan Garcia Perez's residence, damaging a wall but causing no injuries, police said Thursday. It was not known if Mr. Garcia or his family were in the residence at the time of the Wednesday night attack. (AP)

UN Rights Unit to Suriname

THE HAGUE — A team of six United Nations investigators will visit Suriname, a former Dutch colony in South America, later this month to investigate reports of human rights abuses, the Dutch news agency ANP reported Thursday.

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Owen Quits In U.K. After Merger Vote

The Associated Press

LONDON — David Owen resigned Thursday as leader of the Social Democratic Party after the membership voted against his wishes and voted to merge with the Liberal Party.

The two parties had campaigned together as the Alliance in the last two parliamentary elections but made little headway against the governing Conservatives and the socialist Labor Party.

The Alliance won only 22 seats in the June 11 election, four for the Social Democrats and 18 for the Liberals, and since then the two have been racked by an intense debate over whether to merge.

The Social Democratic Party's 58,000 members were asked to vote by mail on a merger, and the results Thursday showed 57.4 percent for merger and 42.6 percent against.

Mr. Owen, 49, announced within an hour that he would not lead the Social Democrats during merger talks, expected to take at least six months.

"Ours is a democratic, one-member-one-vote party," Mr. Owen said. "The members have decided, as they have every right to do, to seek a merger with the Liberals against my advice, and in the circumstances I do not believe I should continue as their leader during the period of negotiations."

David Steel, the Liberal Party leader, had strongly urged a merger after the June election.

Mr. Owen, however, argued that merger was more likely to lead to disunity, because the two parties have different platforms.

The Liberals will consider the merger issue at their annual party conference in mid-September.

manure to subsidized manure banks, where farmers from other regions can obtain excess manure for fertilizer.

But transporting pig manure has proved too costly. As a result, the manure banks are overflowing.

The Manure Action Program provides for strict rules on how much excess manure pig farmers can produce, in effect forcing them to cut the number of pigs or devise a way to handle manure they cannot put on their own land.

To monitor the new rules, farmers are required beginning this year to keep "manure books" showing how much manure they took to the manure bank or disposed of otherwise.

At the same time the Agriculture and Fisheries Ministry is sponsoring research into ways to transform pig manure into a useful substance or clean it up.

At an experimental plant in Sterckel, near Eindhoven, about 2,000 tons a year are reduced to dry cakes, and the foul liquid residue is treated to render it harmless.

Larger plants are going up in nearby Nistelrode and Helmond. But the processes so far remain uneconomical.

In the meantime, one would-be problem solver has suggested, oil tankers bringing in petroleum could be filled up with manure for the return trip.

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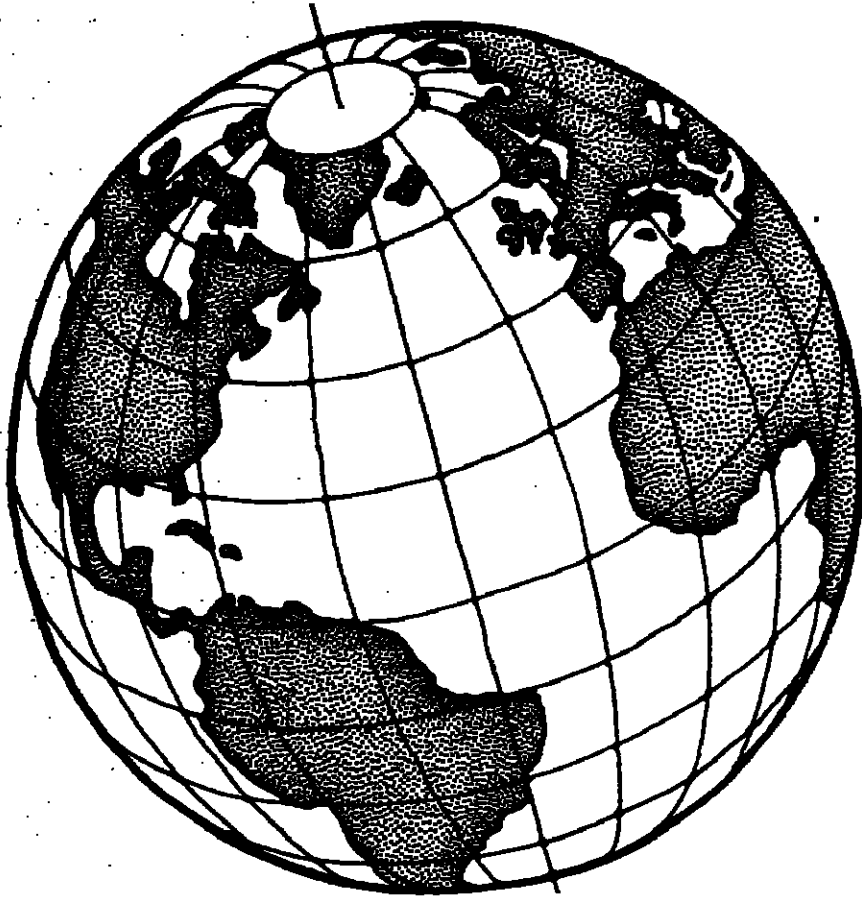
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Camdessus: Right on Rich

The new managing director of the International Monetary Fund, Michel Camdessus, rightly urges all rich countries, even those in deficit, to do more to ease the debts of the poor. Third World debt is vast, and partly unpayable, unless governments change policies. That is why this debt currently sells at big discounts and why banks shrink profits to make reserves against it.

But the changes needed are two-fold. Debtors won't benefit from action by the rich without lasting efforts to help themselves. New money won't help debtors who shirk the reforms needed to raise efficiency and open the road to ultimate viability. They have to reduce inflation, public over-spending and sheer waste. By land reform and realistic price policies, they have to stimulate food output (the possibilities are huge) so that they feed themselves and export food. Reform is painful to the privileged. But its absence makes the pain worse, because all the foreign money so laboriously gained just flows out again into the stock markets of the rich.

The performance of the poor is mixed. Countries like Zambia are backsliding. There is promise in Argentina, perhaps Brazil, and several African and Asian countries. One should not overestimate how far young democracies, with populism and the military near far round the corner, can go. But they have to step up the pace if the rich are to provide them with more funds to service their debts and maintain reasonable growth.

How should the rich provide the funds? Faster growth would enable debtors to sell more goods. But the rich are growing slowly, so there is increasing disinclination to admit manufacturers from the poor and

prices of the raw materials the debtors produce are weak. Alternatively, the rich can provide the poor with more capital. This is not happening: the volume of net financial flows to developing countries fell 15 percent in 1986. But it could happen, in a better world, through three mechanisms.

Banks could extend new loans. They are slow to do this because they question how long debtors will be able to pursue their stabilization plans. And if business in the rich world stays slack, how can borrowers be credit-worthy. Alternatively, the rich could increase their equity investment in the debtors — the best solution of all. But good openings are scarce, because profitability seems low as long as the world teters toward recession, and because too many debtors shy from foreign control of their industries. The bottom line is for the rich to raise non-market financial flows: more development aid, often on concessional terms, and increasing the lending of agencies like the International Monetary Fund and the World Bank. The volume of such aid fell last year. This is where the Camdessus doctrine is an invaluable antidote to the present lassitude of the developed world.

Rich countries slash aid because the lobbying for it is weak and because poor countries are thought to be taking jobs away from the rich countries. Few recall that greater aid would increase jobs because the recipient countries would spend what they gain. Aid is currently so low, and the rich so much richer than the poor, that it could be vastly increased with scarcely a macro-economic ripple. The rich wouldn't lose.

Nicaragua: Plan or Ploy?

What might be called the Arias-Wright-Shultz-Baker-Regan peace plan for Central America represents progress, inside the administration at least. It offers a glimmer of hope that President Reagan and his aides realize the need for negotiations, and perhaps even for compromise, to end a bitter conflict within and with Nicaragua. The pity is the taint of coming so late in the Reagan presidency — and so soon before a showdown vote in Congress on aiding the Nicaraguan rebels.

Finally and wisely, the White House has made clearer its backing for the regional peace effort promoted by Costa Rica's president, Oscar Arias Sanchez. Yet it was all but compelled to do so. Congressional Democrats and moderate Republicans have joined in applauding Mr. Arias's idea of a regional cease-fire meshed with steps to democracy. The idea has developed some support in Central America, as attested by the regional meeting under way in Guatemala. And all this is happening on the eve of a September showdown over voting another \$100 million plus in military aid to the contras.

With this in mind, the House Speaker, Jim Wright, proposed a crucial modification in the Arias plan. The White House had objected that in return for an actual cease-fire, Nicaragua was asked only to promise steps to democracy. Mr. Wright proposes simultaneous deeds by Sept. 30 target date: cease-fire, restoration of freedoms, a halt to outside military aid and to U.S. maneuvers in Honduras. His proposal was taken up by Secretary of State George Shultz and Howard Baker, the White House chief of staff. They have evidently persuaded President Reagan to go along.

But dangers and traps abound, and Congress has to be clear-eyed. The administra-

tion's record of hostility to compromise has to give pause. This is the first time in seven years that Mr. Reagan has put his name to terms that fall short of demanding that the Sandinists surrender power. Hence the suspicion that he has put forward the peace proposal in the expectation of its failure.

The bleak prospects for negotiations have to be faced, even as the bargaining is earnestly pursued. Even with Mr. Reagan's support, a negotiated settlement in Nicaragua, or El Salvador for that matter, will be extremely difficult to arrange. Adversaries in civil wars tend to demonize each other. And since personal, not just political, survival hangs on the outcome, adversaries are bound to hang back. By no reasonable measure is there time in 60 days to resolve bitter conflicts. Congress thus has to avoid being squeezed into voting large aid commitments for the contras if peace is not achieved by October. Democratic leaders, including Mr. Wright, insist they have made no such pledge.

By all means let Congress welcome Mr. Reagan's recent conversion to diplomacy, but keep up the pressure that brought it about. Whatever the progress in Central America bargaining, Congress has to demand hard information about the contras, their failure to develop visible support within Nicaragua and their human rights abuses, now documented by the administration's own investigators. And Washington has to keep the faith with all of Central America's democrats — including the internal opposition in Nicaragua — in opposing tuggery from every quarter, Sandinist or contra.

If the Reagan administration has come to appreciate these complexities, then a serious attempt at negotiations can finally begin.

Foreign Aid Shell Game

The U.S. foreign aid program is being ground up by the budget process. Just about everyone agrees the appropriated funds aren't enough to support U.S. policies abroad and are poorly distributed besides: too large a share, nearly 40 percent, goes to Israel and Egypt. Other recipients, equally worthy, are being pushed aside.

The administration's response is that, here as with defense, Congress should extract the necessary funds from other areas of government: domestic programs. But these already have been pretty well plucked, and the Democrats rightly say that the president should finance his defense and foreign policies with a tax increase. The

foreign aid budget has thus become a hostage in the larger dispute over fiscal policy. Until that is settled the proper course would be to reallocate the funds now available, to spread the shortage. But Congress and the president each find it useful to hide the other for squeezing the vulnerable recipients, and neither can bring itself to propose a cut for Israel. An example occurred in the markup of the current foreign aid appropriations bill last week. The House subcommittee chairman, David Obey, Democrat of Wisconsin, proposed minor cuts in aid from last year's levels for both Israel and Egypt. For Israel, \$36 million out of a \$3 billion total; for Egypt, \$26 million out of \$2.1 billion. He did it not for great and lofty policy reasons, not even particularly in the name of fairness but, as he himself admits, in an old-fashioned effort to circumvent the congressional accounting rules and get a larger program for a smaller appropriation.

Some appropriations, including aid to Israel and Egypt, are spent relatively quickly, others not. Under the rules, Mr. Obey could appropriate more if he shifted money from fast-spending accounts to slow, and that's what he was proposing. The small amounts taken from Israel and Egypt, plus some other such maneuvering, would have translated into about \$765 million more for other beneficiaries, he estimates. But the chairman says that 1) the administration balked and 2) so, as the word leaked out, did any number of congressmen, who begged him not to put them on the rack with his proposal, which he finally dropped. It was not an inspiring show.

Other Comment

Adelman Confounded Critics

Kenneth Adelman's impending resignation as director of the U.S. Arms Control and Disarmament Agency will be less notable than his arrival, in one of the roughest confirmations seen in Congress; Senator Alan Cranston of California called it "a victory for the enemies of arms control within the Reagan administration."

Some victory. Under Mr. Adelman, the ACDA gained ground on the first real reduction in nuclear armaments. None of Mr. Adelman's predecessors came close to this objective. If there is a lesson in Mr. Adelman's career, it is that toughness will get you more than stimpiness when dealing with the Soviet Union — or the U.S. Senate.

—THE WASHINGTON POST.

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OPINION

Moscow Tries 'Bait-And-Switch' Arms Tactic

By Richard N. Perle

WASHINGTON — If the transaction concerned the purchase of a washing machine the technique would be called "bait-and-switch," and it would be illegal. But as it concerns the security of the United States and the cohesion of the Western alliance, it's called "diplomacy" — and, however objectionable, it isn't illegal.

The issue, of course, is a last-minute Soviet demand that the West Germans scrap their 72 older Pershing-1A missiles (the "switch") as a condition for a treaty eliminating intermediate range missiles from the arsenals of the United States and the Soviet Union (the "bait"). The essence of the bait-and-switch tactic is that the customer is brought to the brink of a purchase only to be told that the deal he was about to make is no longer available. At this point a higher-priced alternative is brought out in the expectation that the hapless customer, his heart set on a new washing machine, will pay the premium rather than go home empty-handed.

Mikhail Gorbachev evidently believes that Ronald Reagan has his heart set on a treaty eliminating intermediate missiles — Mr. Reagan's own proposal of 1981 — and therefore will pay the added price rather than jeopardize the deal. The premium the Soviet Union is demanding in this case would require the United States to bargain away a weapon that belongs to its German allies. Soviet strategists figure that German confidence in the United States would be gravely damaged as a result and the already fragmented coalition in Bonn would come under new and dangerous strains. (The Russians caught an enticing glimpse of German angst over these matters when a minor issue, the treatment of shorter-range missiles the United States doesn't have, paralyzed the Kohl administration for weeks while Mr. Gorbachev rang propaganda bells throughout Europe.)

The justification the Soviet Union offers for this mischievous maneuver is the fact that the warheads for the German missiles are under U.S. control (would Moscow prefer them in German hands?), even though the missiles are not. But the treaty that is now taking shape in Geneva does not limit warheads: it limits missiles and launchers. One reason for this is the impossibility of verifying warheads, small and concealable as they are. Another is that the German Pershing

reflect what, in the special parlance of arms control, is known as an "existing pattern of cooperation." As such they have never been included in arms control agreements — or even in Soviet proposals put forth in previous negotiations, or previously in this one. Mr. Gorbachev knows that this new and disruptive demand is unconvincing. That is almost certainly why he waited until he thought unstoppage momentum toward an agreement had built up in the German Pershing.

The Soviet maneuver is bound to fail, not least of all because it ignores the remarkable, continuing streamlines that Mr. Reagan has demonstrated throughout the course of the negotiations on intermediate nuclear forces (INF). He knows (and Casper Weinberger, the secretary of defense, and George Shultz, the secretary of state, are there to remind him) that a treaty requiring the United States to abandon a long-standing principle and negotiate away the rights of allies would carry a prohibitive price. That is why Mr. Reagan allowed the Soviets to

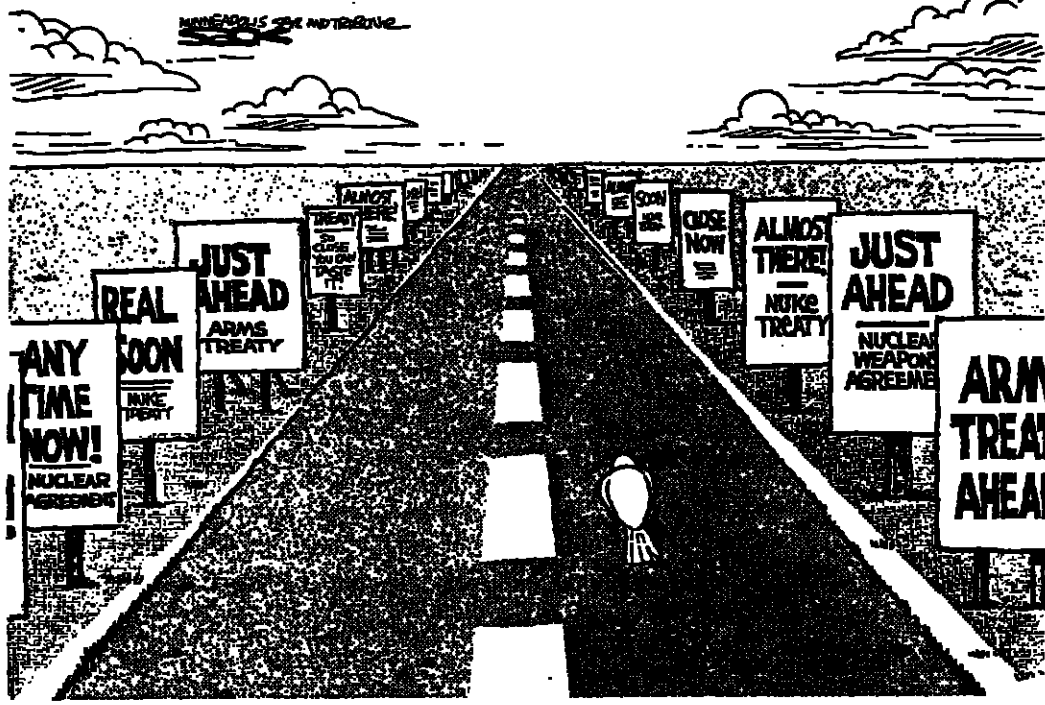
walk out of the Geneva talks in 1983 rather than submit to their demands that British and French nuclear forces be included, along with those of the United States, in a bilateral agreement between Washington and Moscow.

Florence Nightingale is said to have commented that "whatever else they do, hospitals must not spread disease." And whatever else arms control agreements may accomplish, they must not undermine the political cohesion of the Western alliance. That cohesion is invariably put to the test when the superpowers negotiate arrangements that affect the security of the U.S. allies. Here the Soviet Union enjoys one of many advantages in negotiation with the United States. Its docile allies — tranquilized when necessary by a dose of Soviet power — are not given to effective complaint, even when Moscow treats their security with indifference. The Czechs and East Germans may have chafed when the Soviet Union wheeled in SS-20 missiles as a "response" to U.S. Pershing-2 deployments in West Germany, but they chafed silently.

For the United States it is essential that arms control negotiations with the Soviet Union be conducted in a manner that protects mutual confidence between Washington and its allies. Soviet efforts to lure the president into compromising Allied forces are calculated to destroy that confidence and turn a militarily balanced and equitable agreement into one that is politically damaging to both.

This is not the first time that the Soviet Union has proposed a measure that tested American resolve and Allied nerves. At one time or another the Soviet negotiators have held an INF zero option agreement hostage to 1) inclusion of British and French forces and U.S. maritime weapons; 2) the U.S. SDI program; and 3) Soviet missiles in Asia. Each time the United States has stood its ground and, in due course, the Soviet Union has shifted its. That is why, after nearly six years, we are close to an agreement that is fair to both sides.

The writer, a former assistant secretary of defense for international security policy, contributed this comment to The Washington Post.



In Latin America, There's No 'Good' U.S. Intervention

By Adolfo Aguilar Zinser

WASHINGTON — In view of recent events in South Korea and earlier events in the Philippines and Haiti, Americans are newly optimistic that leverage can be used to promote political pluralism and civilian democracy in friendly, authoritarian regimes.

Proponents of such activism think that moving swiftly during a political crisis will prevent radical, pro-communist revolutions. This benevolent intervention is perceived to be in the best interest of the United States, even if it means disappointing a former ally or pressuring a longtime friend.

Panama now seems to offer the U.S. Congress and the Reagan administration a perfect testing ground to take this "good" intervention approach to Latin America.

Following demonstrations against the country's strongman, General Manuel Antonio Noriega, the Senate and the House of Representatives approved resolutions demanding a return to civilian control in Panama and an investigation into allegations of murder and corruption leveled against General Noriega by a former military associate.

Contrary to hopes in Washington, strong U.S. criticism of General Noriega has awakened profound suspicion of Washington's motives among Panamanians and Latin Americans in general and has handed the discredited general a timely

pretext to shore up his defense using nationalistic themes. Though street protests against him continue, General Noriega's criticism of U.S. intervention has put the opposition leadership on the defensive regarding the nation's pride and Panamanian sovereignty.

The U.S. attacks on General Noriega have provoked a rare display of unity among Latin American governments. A July 1 vote by the Organization of American States illustrated the isolation of U.S. foreign policy in the region. At Panama's request, a resolution condemning U.S. intervention in its internal affairs was prepared by Argentina, Brazil, Mexico, Venezuela, Colombia, Peru, Bolivia and Nicaragua. In a roll call with no recent precedent in that organization, 17 nations — including Chile, Ecuador and Jamaica — voted in favor of the resolution. Only the United States voted "no." Even staunch U.S. allies such as El Salvador, Honduras, Costa Rica and Grenada felt it necessary to abstain or to be absent from the session.

Why is the anti-Noriega policy of the United States so unappealing everywhere in the hemisphere? The answer is certainly not the popularity of the General Noriega, whose image in Latin America is that of a "loose cannon" incapable of loyalty to

any cause but his own. Nor is the answer that Latin Americans do not care whether or not Panamanians fulfill their democratic ambitions. The problem is the credibility of the United States — or perhaps the lack of it. Latin Americans do not believe that a good cause makes American intervention in any country in the hemisphere a "good" intervention. The record of abusive U.S. interventions in Latin America and the power imbalance between the United States and its neighbors give nonintervention a very precise legal, diplomatic and political meaning to Latin Americans. We believe that causes such as "democracy" and "freedom" and even economic assistance are often used as pretexts for illegitimate purposes. At best, many Latin Americans believe that intervention, even in a good cause, involves such abuses of power and violations of sovereign rights that it soon becomes an aggression.

No government in Latin America will sanction a precedent that later could be used against it. Dictators such as Augusto Pinochet in Chile do not want Washington to take up the cause of democracy in their countries. But other leaders with more legitimate concerns defend nonintervention as a matter of principle.

Nothing has contributed more in recent years to promote Latin suspi-

A Gulf Arms Embargo Could Work

By Jonathan Power

LONDON — Cynics may laugh at U.S. attempts to introduce a United Nations Security Council resolution mandating an arms embargo on arms sales to Iraq and Iran. Yet even those who sneer at efforts to make such an embargo stick in the volatile Middle East should pause a moment. There have been occasions when embargoes have worked, even in the Middle East.

In the Middle Ages the nations of western Europe forged an understanding to sell weapons to the Turks. In the 19th century non-slavery nations signed, in Brussels, an agreement to repress the African slave trade. It prohibited the introduction of arms and ammunition other than flintlock guns and powder into much of the African continent. More relevant for the Iran-Iraq war was the tripartite declaration signed in 1950 by the United States, France and Britain to restrain arms sales in the Middle East in an attempt to lower tensions between the Arab states and Israel. It lasted five years, until the Soviet Union and Czechoslovakia concluded a big arms deal with Egypt and France secretly signed an agreement with Israel.

In 1967, Lyndon Johnson proposed that the United States and the Soviet Union limit arms sales in the Middle East. It is believed that Premier Alexei Kosygin responded with a secret letter supporting Mr. Johnson's plan, and the evidence suggests that there was a de facto slow down. Both Washington and Moscow sent far fewer arms to their clients there than they were asked for. Moreover, the supply of new, sophisticated weapons was halted. President Anwar Sadat of Egypt noted at the time that it was clear that a stalemate — no peace, no war — suited

the superpowers. There was some agreement between them about the level of arms supplies.

The agreement unraveled in 1972, partly because of the rise of Middle East tensions and partly, it was said, because of the U.S. decision to sell F-4 fighter-bomber aircraft to Israel.

Until recently there had been little backing for again limiting Western arms sales in the Middle East. This was partly because, as David Owen observed when he was Britain's foreign secretary, it was a relatively painless way of recycling petrodollars. Secondly, it was part of the currency of Middle East diplomacy. President Jimmy Carter, when he negotiated the Camp David accords, offered further arms sales to induce Egypt and Israel to negotiate. Peace was bought at the price of raising the ante several times during the negotiations, but this was widely accepted as a good tactic, given the importance of what was finally agreed to.

Even in the heyday of U.S. arms selling to the shah's Iran, when that was the largest single arms sales program in the world, few voices were raised against it. It was, said a Senate study, a bonanza, reducing unit costs on America's arms production lines. The question of what some successor regime might do with the arms that Iran was stockpiling was essentially taboo. So willing was the United States that the shah made no effort to reciprocate the favor, by moderating oil prices, for example. Instead, he was the leading exponent of raising prices.

Clearly, there has been a major turnaround in Washington's thinking. It certainly goes far deeper

than the Reagan administration making amends for engaging in an arms-for-hostage deal with the Khomeini regime; for that, there is little sign of contrition. Moreover, a UN arms embargo has the support of Britain and France, who are not moved by guilt, and who have done well financially in the arms business. The turnaround is one of realpolitik: For once, the major powers realize how dangerous arms selling has become for themselves, not just for the protagonists. The Soviet Union, too, sees merit in a war that is stirring up passions it has little idea of how to control.

What is surprising, perhaps, is that, previous understandings on the Middle East having been private, this embargo is being sought at the UN, an organization that does not rank high in Mr. Reagan's favor. Part of the reason is the need to bring in China, a significant seller of arms to Iran, and part is the need to reaffirm that the United States is engaged in a broad-based approach so that the new arms dealers — Brazil, South Korea and Taiwan — will not feel free to have a field day.

To be sure, an arms embargo will not bring peace to the Gulf. This will depend on political movements toward compromise and accommodation. But without restraint in selling arms there is less pressure toward peace. Moreover, at least an embargo will work to lessen the damage that can be done to outsiders, in particular the international shipping world.

A UN arms embargo would be a clear sign that the major powers are going to take a step back this time. And that, in terms of the Middle East, is as good as a mile.

Nothing has contributed more in recent years to promote Latin suspi-

ctions than the Reagan administration's unyielding support for the Nicaraguan rebels. The clear objective of the contra aid, as Latin Americans see it, is to overthrow a government the United States does not like, but with which it has diplomatic relations. Obviously this is an unacceptable proposition to any poorer, weaker neighbor. Even Latin Americans who do not like the Sandinists and would prefer to see them turned out of power find the American replacement — a rebel force funded and controlled by the CIA — as bad as could be.

Antipathy to revolutionary Nicaragua in many countries of Central and Latin America does not translate into enthusiasm for the contra cause. Few American commentators have tried to explain why no president, major politician or visible intellectual of Latin America has put himself or herself on the record endorsing contra aid. Many have harshly criticized the Sandinists and prized the internal opposition, but none has spoken in favor of the Nicaraguan rebels. To support them is to endorse CIA-sponsored intervention. No Latin American preoccupied with his or her personal reputation can favor such a policy.

In Latin culture, to trust is to share. But the United States has made no effort whatever to take account of Latin American concerns, ideas and feelings in its policy-making. Instead, the Reagan administration adopted the patronizing view that America knows best what will cure Latin ailments.

When the eight most important countries of the region assembled in Contadora to say "no" to contra aid and to propose broad-based negotiations as an alternative to military solutions — one when a long-time friend such as Costa Rica proposed the same thing — the administration ignored them or called them naive. If the U.S. government does not trust our judgment, why should we Latin Americans trust Washington's?

U.S. credibility in Latin America will not be rebuilt by theories of "good" intervention. Instead, Washington must shed its chronic derision of Latin American opinion and learn to trust — and to share — the political advice of its neighbors. Today, "good" U.S. intervention in Latin America remains no intervention at all.

The writer, a professor and political commentator in Mexico, is a senior associate of the Carnegie Endowment for International Peace. He contributed this comment to The Washington Post.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: 'Bull Moose' Clan
CHICAGO — The Third Term side show bears more resemblance to the old-fashioned camp-meeting than a political convention. Prayer, song, pistol shots and hysteria on the part of the women delegates give it the color of religious fervor. Shouts of "Amen" greet any reference to the Big Chief of the "Bull Moose" clan. "Dynamite Ed" Perry, of Oklahoma, was as moved on one occasion on [Aug. 5] that he climbed into the hands of the balcony and beat time with shots from a six-shooter. Song books are being distributed to the spectators, and song is the prime feature of entertainment. The favorite hymn is the old Salvation Army tune "Follow, Follow, I Will Follow Jesus." The "Bull Moose" version runs as follows: "Follow, Follow, I Will Follow Roosevelt; anywhere he leads me, I will follow him."

1937: A Sour Sugar Bill
WASHINGTON — The House of Representatives again ignored the wishes of President Roosevelt (on Aug. 6) when it passed the Jones sugar bill designed to restrict off-shore production areas. A Presidential veto is practically assured. Representative Marvin D. Jones (D., Tex.), chairman of the House Agricultural Committee and author of the measure, attempted to make peace with the Administration by offering a compromise amendment, but the House rejected it. The President warned the House [on Aug. 5] that he is strongly opposed to the provision in the bill which would restrict drastically the amount of refined sugar which Hawaii and Puerto Rico will be permitted to export to the United States. Mr. Jones's amendment proposed to delete this provision, but it found little sympathy in the House.

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OPINION

In a Land Without 'Glue,' Glasnost Won't Stick Long

By George F. Will

WASHINGTON — Putting as delicate demands, the best face on Soviet behavior, we can say that glasnost has glitches, as current troubles with the Tatars show. But the truth is, those troubles are only the most recent recrudescence of a perennial Soviet problem — "the nationalities question" — that sets a severe limit on the scope of openness. Tatar leaders were expelled recently from Moscow, where a few hundred of their kinsmen were demanding that their homeland in the Crimean peninsula be recognized as autonomous. In 1944, 250,000 Tatars were deported to central Asia — perhaps 100,000 died — as punishment for alleged collaboration with the German invaders. The Kremlin's disproportionate response to the recent protest included accusations that U.S. diplomats had worked "to incite nationalistic manifestations." Undoubtedly, such manifestations rank high on a long list of "antisocial actions." The Soviet Union is run by a minority, the Russians, that is declining numerically relative to many of the Soviet Union's other captive nationalities. Like most such minorities that govern resentful groups, the Russians are regarded as arrogant. They do indeed despise many other ethnic groups, including the Tatars, as being "Asiatic." Soviet leaders often denounce this attitude. On Oct. 6, 1922, Lenin was too troubled by a toothache to attend a Central Committee meeting, but he sent a note: "I declare war to the death on Great-Russian Chauvinism. I shall eat it with all my healthy teeth as soon as I get rid of this damned tooth." He promised that the presidency of a crucial body "should go in turn to a Russian, a Ukrainian, a Georgian, and so forth." But it would take more than 100 "and so forths" to cover all the unmanageable ethnic groups scattered across the Soviet Union's 11 time zones. Besides, the essence of the Soviet state was and is "democratic centralism" — control by a party organized from above and run from the political center, Mos-



LETTERS TO THE EDITOR

About War, Past and Future Thank you for printing Michael Norman's article "Listening to Him Testify, the Colonel Frightened Me" (July 28). It touched me in a very special way, for reasons having to do with my family. Mr. Norman's article talks about World War I and Vietnam. "Only some of the survivors are easy to read: Those who have seen too much combat and those who have not seen enough. The former sleep in mental wards or seek the quiet of the woods... Men who have not seen enough combat, on the other hand, come home belligerent." "M.A.S.H." was about Korea. I have written about World War II. All of these writings are about World War III, too. It is important for the Michael Normans of the world to know that there are many like us sharing this planet. We need to make enough noise to counteract the convoluted thinkers such as John Hutchinson ("If Anything, North Deserves a Medal," July 28). One of the many bonuses of living in the Netherlands is regularly reading your newspaper. I appreciate the balancing you do — as with the Norman and Hutchinson pieces: they illuminate each other. As the Dutch say, "Success!" to you and to Mr. Norman and his coming book about 12 Marine Corps comrades from Vietnam. JEANETTE HUBER, Amsterdam. Regarding "If Anything, North Deserves a Medal" (July 28) by John Hutchinson: Equating Oliver North's lying to Congress with the allies' lying to Hitler in World War II is a rather unexpected proposition. I wonder if Congress is flattered to be compared to the Third Reich? L. BODMER, Zollikon, Switzerland. If a man of Professor Hutchinson's qualifications cannot distinguish between wartime deception against a shooting enemy and the same things practiced in peacetime by one part of a government against another, and against its electorate, we really are in trouble. RICHARD SAUNDERS, Paris. Professor Hutchinson writes, "Winston Churchill never told Parliament

Finding Out About Peru — the Hard Way

By Tina Rosenberg

TACNA, Peru — Jeff Thielman was at the beach when Sebastian's baby died. Mr. Thielman, an American volunteer, had come to Ite, an oasis of 600 people in the Peruvian desert with no electricity and one telephone, to build a kindergarten. The death of this infant would teach him what people in the Third World have known for generations about how little they should expect from life. Mr. Thielman, 23, had taken the day off and gone swimming with a priest and two nurses working in Ite. When they got back, Sebastian, a skinny 21-year-old, was waiting for them at the health post. He had been waiting for four hours. Sebastian's wife, Herenia, 19, had given birth that morning. He had delivered the child and cut the umbilical cord with a razor blade. The baby was sick. They went to Sebastian's house, a one-room concrete structure, with two tiny windows and holes in the roof. On the floor near the small bed where Sebastian, his wife and their older baby slept, were crusted cooking pots and a few pieces of clothing. Flies were everywhere. The newborn was lying at the foot of the bed, wrapped in a filthy piece of cloth. He had lived eight hours. The baby had been born six weeks premature, the nurse told Mr. Thielman the next day. Herenia had been hitting her womb in hopes of aborting the child. The nurse had suggested to Herenia that she have this child, then begin to use birth control, but Herenia said that she and Sebastian could not support the child they already had on his wages. A week later, Mr. Thielman went back to Sebastian's house. Sebastian was earning 14 Peruvian intis (84 cents) a day, he said, in his job as a farm worker. Where he had come from, in the mountains, he had been earning only 10 intis. He said that his life was much better in Ite. He knew he was not being paid the minimum wage, 23 intis, but he said, there was nothing he could do about it. It was mid-February 1986. Mr. Thielman, from a middle-class Connecticut family and fresh from Boston College, had come to Peru with the school's International Volunteer Program to spend two years teaching at Colegio Cristo Rey, a Jesuit school in Tacna, a town of 150,000 on Peru's southern border with Chile. The school year would begin in April; Mr. Thielman had been looking for something to do until then. He found it in Sebastian's house. He would spend the next two months, whatever it took, trying to get Ite's landowners to comply with the law and pay the minimum wage. He took his project to the Reverend Fred Green, the World War II marine pilot-turned-Jesuit priest who runs Cristo Rey. Father Green, who has lived in Peru since 1959, told him not to waste his time. But after thinking it over, he told him to try it. "You might learn something," Father Green said. On a Friday, Mr. Thielman rode his bike into Tacna and saw Oscar Galdos, the head of Employment and Social Security in the Labor Ministry. He described what he had found in Ite. Mr. Galdos said this was a problem all over Peru, that he thought they could do something about it, but that transportation to Ite, a two-hour drive from Tacna, was a problem. The next Tuesday, Mr. Thielman went back and volunteered to pay for gas for the trip. Mr. Galdos directed him to another official, who was not around. Mr. Thielman went to talk to a third official. She listened to his story and said she would call him the next day. She didn't. For the next six weeks he spent every day with a government official. They all wanted to go to Ite, they told him. But there was a meeting that day, or it was someone's birthday, or no car was available. "What a fool I am," Mr. Thielman wrote in his diary. The school year began and for two weeks Mr. Thielman did not make his daily pilgrimage to the government offices. When he went back on May 13, there was a new man in charge. "He really wants to help me," Mr. Thielman wrote in his diary. "I talked to him and he said he'd talk to the mayor of Ite." A month later, nothing had happened. In desperation, Mr. Thielman made 100 copies of the minimum-wage law. When the mayor of Ite came to Tacna, he gave him the copies. The mayor promised he would distribute them. "There are just too many damn tomatoes here," Mr. Thielman would say later. Mr. Galdos was reading the paper when I came into his office in July and asked if it was true that some employers do not pay the minimum wage. "The great majority," he replied. "It is a disgrace, but the supply and demand for work allows this to happen." He said his office would not start an investigation without a complaint from a worker. I tried to picture Sebastian finding a way to make the trip to Tacna to denounce his employer. "This is the history of Peru," Mr. Galdos said. "It is the legacy of hundreds of years of colonial rule. The worker is always exploited... What we need is a huge campaign on the part of the government to improve education and health." Without these reforms, he said, there was no point in trying. There are hundreds of cases of hardship, Mr. Galdos said. "I'm like a doctor who sees so many deaths," he said, "one more doesn't mean anything." Today, Mr. Thielman laughs when he thinks about his quest. "I wanted to ride into Ite on a white horse and announce, 'Okay everyone, now you'll all make minimum wage,'" he said. "But now I know more about Peru." His new project, the Center for the Working Child, is going well. He obtained the use of an empty house in central Tacna as an afternoon center for the newsboys and shoeshine boys who work in Tacna's streets. They come to play table soccer, eat oatmeal with apples, watch cartoons and do art projects. Mr. Thielman took me to the house of a boy who came to the center, Mauricio, 12, whose seashell sculptures had won an art contest. The five children and two parents lived in a two-room dirt-floored house in the backyard of a wealthy man's house in Tacna. Mauricio's father worked from 4 A.M. to 8 A.M. for no pay each day for the privilege of living in the house. There was no electricity, no beds and I did not see a bathroom, not even an outhouse. A garden hose provided water. Mauricio's prize for winning the contest was a plane trip to Lima for a week of art classes, parties and political events with other winners. He was even going to meet President Alan Garcia Perez. His mother didn't want him to go. It was too far away, and she didn't like the idea of a plane trip. She had been persuaded it was a good idea, but she was wavering, and Mr. Thielman made the visit to lobby her one more time. She wept while she talked to us, rarely looking up. She held her smallest child, an 18-month-old girl dressed in a torn sweater and tights. The girl's eyes were dull with fever. She had been sick for three days. The mother said there was no money to take her to a doctor. I took Mr. Thielman aside and asked him if we should offer to take them. "Go ahead," he said, as if suggesting that I, too, might learn something. "She'll say no." She did say no, but she let me buy some liquid aspirin. "If that had been me last year," Mr. Thielman said as we left. "I would have said 'Oh my God, let's do something.' Now I know you have to try, ask the mother to bring the baby to the hospital, but if she doesn't, that's life. I see so many sick kids." He shrugged. For a second he sounded just like Oscar Galdos. The Washington Post.

Kazakh, Latvian, Tatar

RED Square demonstrations by Crimean Tatars for correction of the injustice done them have brought two things to the world's attention. First, they recalled Stalin's crimes against the smaller peoples of the Soviet Union; second, they showed that Moscow's claim to a successful solution to the nationality problem, for decades endlessly repeated, is nothing more than self-deception. The Tatars' protest comes only a few months after the violent suppression of a Kazakh revolt in Alma-Ata against Russian colonial policy, and after last month's freedom demonstration in Riga by young Latvians. — New Zürcher Zeitung (Zurich).

GENERAL NEWS

WASHINGTON Post Writers Group.



Giovanni Goria speaking to the Italian Chamber of Deputies before the confidence vote.

Grudging Vote in Italy Shows Coalition Frailty

By Loren Jenkins Washington Post Service ROME — The instability of Giovanni Goria's reconstituted coalition has been made clear by the grudging vote of confidence that the Chamber of Deputies gave his government. Mr. Goria, a Christian Democrat, who at 44 is Italy's youngest prime minister, won the chamber's support Wednesday for his five-party coalition government, but only after three days of often acerbic debate that included such divergent subjects as Italy's Gulf policy and the propriety of President Francesco Cossiga's nomination of Mr. Goria, a former treasury minister, as prime minister. Not only were Mr. Goria's proposed policies, on everything from nuclear energy to foreign affairs, questioned by the coalition's other parties, but his status and suitability for the job were attacked by some members of his Christian Democratic Party. The vote in the Chamber of Deputies was 371-237 in favor of the Goria government. The Senate approved the coalition last weekend. Thus for the first time since March 3, when Bettino Craxi, a Socialist, resigned after almost four years as prime minister, Italy has a cabinet that is not a caretaker government. Few analysts believe it will come anywhere near matching the longevity of the Craxi government, however, because none of the problems that led to the breakdown of Mr. Craxi's five-party coalition has been resolved. Mr. Goria is a compromise prime minister, chosen by Mr. Cossiga because the Christian Democrats' choice for the job, Ciriaco De Mita, the party secretary, was vetoed by Mr. Craxi. Mr. De Mita had openly sought the job. Some Christian Democrats were upset that Mr. Cossiga picked a relative youngster from a party whose titans are in their 60s or 70s. Some Christian Democrats have challenged the leadership qualifications of Mr. Goria, who likes to describe himself as "an accountant who is also a politician." Carlo Donat Cattin, a former health minister, said, "For me, Goria has always been and always will be nothing but an accountant." However, Mr. Goria's experience as an economist, budget undersecretary and treasury minister should help him stay in office through the autumn if only to shepherd the 1988 budget through the parliament. After that, the consensus is, he will face serious trouble. No one gives him much chance of lasting longer than April, when his party holds its annual convention. Some analysts fear he might falter earlier, when the country holds five referendums in the autumn on nuclear energy and judicial reform. The Christian Democrats, the dominant party in the coalition, are opposed to the referendums, while Mr. Craxi's Socialist Party, the second largest in the government, supports them. The issue was one that led to the collapse of the coalition. Another was the bitter dispute between Mr. Craxi and Mr. De Mita over who should preside over the government. After Mr. Craxi had led the coalition for almost four years, Mr. De Mita demanded that a Christian Democrat, preferably himself, be allowed to preside because the Christian Democrats were by far the largest party. Mr. Craxi refused to accept the argument. The ensuing deadlock led to the dissolution of the parliament and elections in June, in which both the Socialists and the Christian Democrats gained in strength at the cost of the Communist Party, Italy's second largest. After the vote, however, Mr. De Mita and Mr. Craxi's choices were limited to re-forming their coalition along with the minor Republican, Liberal and Social Democratic parties.

EUROPEAN TOPICS

Britain Cleared to Sue For Nuclear Exposure

The British Court of Appeal has approved the right of former Lance Corporal Melvyn Pearce to sue the government for damages after he was exposed to radiation during nuclear weapons tests in 1958. The decision upheld a previous ruling by the British High Court. The government, which is claiming immunity from damage actions by servicemen, plans to appeal to the House of Lords. Mr. Pearce, 49, who suffers from leukemia, was one of hundreds of British soldiers who witnessed nuclear bomb explosions on Christmas Island in the Pacific. The British Nuclear Test Veterans' Association claims that at least 22,000 troops were used in the late 1950s as guinea pigs to observe the effects of nuclear fallout on people. They contend that the impact has resulted in incidences of cancer, cataracts, and genetic disorders and deformities in their children. Mark Mildred, Mr. Pearce's counsel, said he hoped the government's appeal would be heard before Christmas. The veterans' association said Mr. Pearce might not live that long, adding that at least 600 other sick veterans are waiting for the case's outcome.

West Germany Rejects Mercy-Killing Appeal

The federal Constitutional Court in Karlsruhe has rejected a West German doctor's appeal for the right to help a 27-year-old paralyzed woman take her own life. The court said it had no jurisdiction over euthanasia, adding that Julius Hackethal, the doctor, wanted to be absolved from a crime before committing it. The woman, identified only as Daniela M. from Karlsruhe, was left completely paralyzed after a car crash four years ago. She contacted Dr. Hackethal after her own physicians and relatives had refused to help her die. Last month, Dr. Hackethal announced he would install a machine with two tubes, one containing fruit juice and the other a fatal narcotic solution, in the woman's hospital room, allowing her the choice of when, and if, to die. City authorities immediately threatened to fine him 10,000 Deutsche marks (about \$20,000) for "disturbing public order." Dr. Hackethal then appealed to the Constitutional Court.



SCALING MAN-MADE HEIGHTS — Several mountain climbers, secured by ropes, scramble atop a church steeple in Mezokovesd, Hungary, to apply protective paint. Their technique was reported to be more economical than the usual method of constructing a scaffold.

Around Europe

Dutch Army conscripts, who have their own trade union and are entitled to a 38-hour workweek, will soon start receiving overtime pay. The Defense Ministry has introduced a plan under which the 50,000 draftees will receive nine days' extra pay a year, the average amount of overtime worked by all conscripts. The measure is meant to replace a system of compensatory time off for long hours, which draftees often accumulate to take lengthy leaves. At present, conscripts earn between 767 guilders (\$383) and 1,030 guilders a month, excluding bonuses. Last year, conscripts were given the last Friday of every month off, in line with the government's aim of providing 38-hour weeks for all public servants, including the military. Madrid's serenos, or night watchmen, have lost their jobs just a year after they were brought back as an experiment to combat petty crime. The city council has turned down their demand to receive salaries equal to those of policemen. The serenos, who unlocked doors for late-night residents for more than a century until they were phased out in 1976, returned to the streets of Madrid in early 1986. The city council has offered them administrative jobs. — SYTSKE LOOLJEN

Pope Invites Jewish Leaders to Rome In Bid to Avoid Boycott of U.S. Event

By Joseph Berger New York Times Service NEW YORK — Pope John Paul II has agreed to meet at the Vatican with Jewish spokesmen upset over his granting an audience to President Kurt Waldheim of Austria. The invitation for a session at the end of this month or the beginning of September came amid concern that Jewish anger over the Waldheim audience could impede a largely ceremonial meeting between the pope and American Jews scheduled for Sept. 11 in Miami. The pope, making his second trip to the United States, will visit nine American cities Sept. 10-19. Elan Steinberg, executive director of the World Jewish Congress, said the Jewish representatives at the Vatican meeting would want to convey their "anguish and pain as well as their shock and dismay" at the papal audience June 25 with Mr. Waldheim. During World War II, Mr. Waldheim served in German units that have been implicated in deportations of Jews in Greece and reprisals against partisans in Yugoslavia.

U.S. Has Marine Anti-Terror Force Ready

By Richard Halloran
New York Times Service

WASHINGTON — Over the last two years, the U.S. Marine Corps has quietly trained amphibious battalions that can be deployed overseas to mount commando raids, evacuate American diplomats from besieged embassies and help rescue hostages captured by terrorists.

The new tasks for the Marines, whose primary mission has long been to seize and hold beachheads, have enhanced the overall ability of the armed forces to conduct what are known as special operations, or unconventional warfare, according to military experts.

Marine officers said one of the newly trained amphibious units of 2,000 marines is aboard ship in the Arabian Sea and is ready to carry out a strike by helicopter or landing craft within six hours of receiving an order. This is the first such deployment in that region, the officers said.

They said that in the current state of tension in the Gulf, it is necessary to be prepared to go ashore to defend installations,

evacuate diplomats or help rescue hostages.

The officers gave no indication that any operations had been planned or considered, noting only that the presence of the Marine amphibious unit made such a mission possible.

"Everybody who goes over there is on the cutting edge," one officer said.

Among the other forces trained for special operations are the army's Rangers, who mount raids by parachute; the Green Berets, or Special Forces, who train for guerrilla warfare and counterinsurgency operations; and the secret Delta unit that specializes in rescuing hostages. For a hostage rescue the new Marine units would normally be used to secure a perimeter for rescues undertaken by the Delta unit.

The navy's Seals — the acronym stands for sea-air-land — are trained for waterborne strikes and reconnaissance and have several sailors on duty with the Marine amphibious units. The air force's Special Operations Wing has been trained for infiltration, for slipping

personnel out of harm's way and for aerial supply missions.

The Marine Corps, in response to a directive from the Defense Department in 1984, decided to train existing Marine amphibious units in special operations rather than set up separate units for such tasks.

"We had to overcome a mindset," an officer said, referring to the longstanding reliance of the Marines on head-on attack to overcome an enemy by sheer power. The new training has emphasized swift planning, operations launched from ships over the horizon, and operations at night in adverse weather and with communications and radar blacked out.

With two Marine amphibious units afloat at any given time, usually one in the Mediterranean and the other in the Pacific, the officers said, they could often be the closest available units for a special operation ordered from Washington.

Each unit is trained in variations on the amphibious raid, including reinforcing guards at a U.S. embassy, evacuating American citizens from a troubled area and recovering downed pilots.

The unit now in the Arabian Sea,

Marine Amphibious Unit 24, could strike targets either on a coast or inland. To reach an inland target, troop-carrying helicopters would be refueled by other helicopters or cargo planes, as were the troop-carrying helicopters used in the aborted rescue of American hostages in Tehran in 1980.

Marine amphibious units are heavily armed, giving a raiding team a sizable arsenal from which to draw. The units are armed with eight artillery howitzers that can be transported by helicopter, 20 machine guns, 40 anti-tank weapons and five tanks. They also have 19 troop and cargo helicopters, four attack helicopters and five anti-aircraft teams armed with Stinger shoulder-fired missiles.

The Marines have practiced unconventional operations in several countries, always with the approval of the governments involved. The operations included a raid in Spain, a recovery operation in Morocco, an aerial seizure and hostage rescue in Italy, aerial refueling in Sardinia, the evacuation of Americans in Tunisia and a long-range raid with a refueling operation in France.

U.S. Moving To Tighten Iran Trade

New York Times Service

WASHINGTON — In an effort to further isolate Iran, the Reagan administration is moving toward more severe restrictions on trade with that country, according to State Department officials.

Last year trade totaled \$34 million in exports to Iran and \$612 million in imports from Iran.

A senior State Department official was expected to recommend new restrictions on trade with Iran at an interagency policy review meeting on Thursday. He is arguing in favor of controls on nonmilitary items that could be converted to military use, including various communications equipment, scuba diving gear, and boating and radio equipment.

The United States exports a variety of goods to Iran, including food, beverages, tobacco, mineral fuels, chemicals, machinery, telecommunications equipment, electronic components, heating and cooling equipment, fertilizer and medicines.

Imports from Iran include crude oil, carpets, pistachio nuts, caviar, furs and skins, glassware and spices.

Paris May Reject Iran Oil

France has urged its oil companies to stop buying Iranian crude oil, Industry Minister Alain Madelin announced Thursday, confirming a rumor that had been widespread for a week. The Associated Press reported from Paris.

Shah's Son Seeks to Restore Throne

By Julian Nundy
International Herald Tribune

PARIS — Cyrus Reza Pahlavi, the son of the late shah of Iran, announced a campaign Thursday to unite opposition to the Islamic Republic of Ayatollah Ruhollah Khomeini, saying he hoped to restore a constitutional monarchy.

Prince Reza, 26, said at a news conference in the Paris apartment of his aunt, Princess Ashraf Pahlavi, that he had played a low-key role in the eight years since the revolution that overthrew his father, Mohammed Reza Pahlavi. Now, he said, "circumstances are favorable and I hope to play a far more active role."

Aides to the prince, who was proclaimed shah at a private ceremony in Cairo after his father's death in 1980, said that he would move soon to Europe from Washington to coordinate his campaign.

Prince Reza said there was considerable resistance to Ayatollah Khomeini among Iranian civilians as well as in the armed forces, which he said were "ready to act at the right moment."

He said he had devoted the last few years to organizing "underground resistance networks" inside Iran. He did not elaborate.

A measure of the difficulty that Prince Reza is likely to face in uniting the Iranian opposition was provided by Abdolhasan Bani-Sadr, who was elected as the first president of Iran in 1980 but who was forced to flee into exile in France the following year after disagreements with the country's religious hierarchy.

Mr. Bani-Sadr, speaking from his home in the Paris suburbs, described Prince Reza's plans as "ridiculous."

"I don't think he knows what he



Cyrus Reza Pahlavi on Thursday: Iranians ought to have "a free choice to decide on what sort of rule they want."

is talking about," Mr. Bani-Sadr said.

The opposition to Ayatollah Khomeini is split into factions across the political spectrum. Those who want to restore the Pahlavi throne are regarded by many Iranian groups as nostalgic, upper-class cliques with little grass-roots following.

Prince Reza said it was urgent to act to head off "the Balkanization or Lebanonization of Iran."

Referring to tension in the Gulf, Prince Reza said he thought it unlikely that Iran would attempt to engage U.S., French or British warships in the area.

"Khomeini goes for your weak points, not for your strong points," he said. "He attempts to paralyze democracies by terrorism."

He added that Muslim fundamentalists in Arab countries who found inspiration in the Iranian model did not understand the realities of life in Iran.

"These young people in the Arab world have not had the opportunity to go to Iran," he said, "to experience what the Iranians experience, to see their mothers stoned, their fathers shot, their sons sent to war, their daughters raped."

Prince Reza said that while he believed a constitutional monarchy would best suit Iran, the Iranian people should have "a free choice to decide on what sort of rule they want."

Nervousness About Iran Grows in Emirates

By Alan Cowell
New York Times Service

ABU DHABI — The alarms that have spread from the killing of pilgrims in Mecca have touched here, at the mouth of the Gulf, reinforcing apprehension that Iran is a neighbor that cannot be accommodated but is too threatening to be defied.

The concerns of Abu Dhabi and the six other principalities that make up the United Arab Emirates — a federation barely 16 years old at the eastern end of the Gulf —

reflect the growing worries of other Arab lands in the region.

The focus of these worries is what regional specialists portray as a new and intense effort by Tehran to intimidate small neighbors under the guise of confronting the United States.

By tradition, the Emirates, some rich in oil, have sought to avoid antagonism with Tehran, preferring instead to trade and placate.

But the incident in Mecca, in which at least 400 people died in circumstances disputed by Saudi

Arabia and Iran, has sharpened apprehensions that stem from the Iranian revolution and the Iran-Iraq war, according to specialists on the region, and West European diplomats elsewhere in the Gulf area.

Within the Emirates, an expert said, a view has grown that Tehran's peacemaking does not deter Tehran from intimidating smaller neighbors.

The crisis in the Gulf has underscored what some here depict as ambiguities and vulnerabilities within the Emirates.

One regional specialist said the Emirates have been closely tied to Iran, both politically and economically, and they see no interest in a permanent state of hostility with Tehran.

Nevertheless, the Emirates, fearing the destabilizing effect of Islamic revolution and shaken by the bloodletting in Mecca, have largely rallied to the Saudi royal family, Iran's traditional rival for dominance in the Gulf, in the days of the shah as well as today.

That tilt has exposed vulnerabilities to Iranian retaliation. For one thing, both Dubai and Sharjah have significant Iranian communities. These include some families who settled several generations ago and more recent arrivals, among them both fugitives from the Iranian revolution and supporters of Tehran's revolutionary leadership.

The presence of those communities, a regional specialist said, provides a source of pressure on the Emirates rulers to accommodate Tehran.

Dubai and Sharjah both maintain close economic ties with Iran, and Sharjah shares an offshore oil concession with Iran. At the same time, according to West European diplomats elsewhere in the region, the Emirates, like other Gulf states, face a deepening of the traditional schism between Sunni and Shiite Muslims. Iran's revolutionary leaders are Shiites.

The religious rift here is not thought to be as hazardous as elsewhere, since the Shiite population in the Emirates is estimated at about 5 percent, compared with 30 percent in Kuwait and more than 60 percent in Bahrain.

The greatest vulnerability lies in a geography and geology that leave a small population of between 1.2 million and 1.5 million to defend a long coastline and offshore oil fields far out in the Gulf that account for between 35 and 40 percent of the Emirates' oil supplies.

In November, both Iran and Iraq attacked Emirate oil fields near the line in the Gulf that divides the economic interests of Iran and the Emirates. Iraq called its raid an error, but the attacks prompted the Emirates to purchase advanced warning systems from the United States, Britain and France.

GULF: Exercises Extended

WASHINGTON — Iranian officials have said that they intend to retaliate with terrorism.

U.S. officials said the United States had increased the number of FBI agents assigned to investigate potential Iranian terrorist activities within the United States. The intelligence agencies are also said to have been directed to gather as much information as possible about the activities of known Iranian agents.

Several officials said the increased intelligence collection might be one reason behind the sudden surge in the number of warnings.

Susan Schnitzer, a spokeswoman for the FBI, said the bureau "was aware of threats being made publicly of potential for Iranian attacks against U.S. targets."

Administration officials said that U.S. intelligence routinely produced warnings of possible attacks against targets abroad.

They said that information

TARGETS: U.S. Alert for Possible Iran Terror Attacks

about domestic threats was less frequent but that in periods of tension in recent years, involving such countries as Libya and Syria, the FBI had increased its monitoring of those countries' nationals in the United States.

Several U.S. officials have expressed suspicion that Iran would eventually respond to U.S. protection of Kuwaiti tankers with terrorism. These officials suggest that it is unlikely that Tehran would confront the superior military force in the Gulf when it can search for "softer targets" elsewhere.

"Everyone knows Iran has a very limited repertoire," an official said. "Why should they use their weakest weapons against our strongest ones?"

Another official said the increased Iranian activity should be viewed in the context of Tehran's larger goal, which is to drive the United States out of the Gulf.

This official said that Tehran's policy appeared to mix bellicose public statements about terrorism

with easily detectable moves that demonstrate a willingness to carry out the threats.

Intruder Arrested

An intruder who initially identified himself as an Iranian national was arrested for trespassing after guards stopped him inside a secure area at one of the U.S. Navy's most sensitive electronic warfare centers in southern Maryland, law enforcement and navy officials told The Washington Post.

The intruder was discovered inside the grounds of the Naval Electronic Systems Engineering Activity near St. Inigo, Maryland, at about 6 P.M. Tuesday, according to officials.

Law enforcement officials are attempting to determine the man's motives. They said he was not armed.

They said the man had been "co-operative" but that he had changed his name and identity several times after first saying that he was from Tehran.

UNITA: Fearing a Major Attack, Angolan Rebels Alter Guerrilla Strategy

(Continued from Page 1)

Mr. Savimbi, speaking at a command post at Mavinga, a rugged 10-hour drive by truck southeast from Chambianga through the trackless bush, seemed equally disconcerted by the stand-up confrontation his guerrillas face 18 miles (30 kilometers) east of the government-held city of Cuito Cuanavale.

"We don't want to fight them on their terms," Mr. Savimbi said in an interview. "If we fight on their terms, which is conventional, then we could lose. In the whole country, it is a guerrilla war. We like to go behind them in the flanks. Where they don't expect us, we are there. Where they do expect us, we are not there."

The UNITA forces, backed by the United States and South Africa, are digging in for the main thrust of a dry-season offensive that their military intelligence analysts said could begin this week.

UNITA expects the MPLA to push armored and infantry columns east toward Mavinga, as it did in a 1985 winter offensive. Not only is Mavinga strategically important as a gateway to the rebels' bush headquarters at Jamba, but it produces virtually all of the food for the UNITA-controlled southeastern corner of the country, called "Free Angola" by the guerrillas.

In 1977, after losing a struggle with the MPLA for control of Angola, Mr. Savimbi led his anti-communist followers on a trek to the region, where they established their enclave in a former game preserve.

Before South African forces intervened in 1985 with massive air support, MPLA troops drove east beyond the Lomo River, nearly reaching Mavinga and delivering a telling blow to the rebels' morale and prestige. But they failed to capture Mavinga before having to fall back to Cuito Cuanavale.

The battle at Chambianga, should it materialize, could be critical in determining whether the government and UNITA will ever sit down at a negotiating table in an effort to resolve the 10-year civil war.

In Luanda, the capital, government officials have insisted that they have no intention of launching a major offensive this winter, despite estimates by the United States that the Soviet Union has sent \$1 billion worth of arms to Angola in the past year in preparation for a massive attack against UNITA.

Mr. Savimbi said he is certain that the offensive will begin in earnest before the onset of rain in the next two months, after which the government forces would be unable to move armor easily through deep sand and across swollen rivers.

UNITA commanders at the front and intelligence analysts in Jamba estimate that the MPLA is massing 12 brigades at the front, totaling 12,000 to 15,000 men, ex-

cluding a backup Cuban regiment that is protecting Cuito Cuanavale and Angolan logistic brigades that could be pressed into combat.

Mr. Savimbi also said that 200 Soviet-built tanks had moved from Mavinga to Cuito Cuanavale and that UNITA had listened to Cuban tank commanders talking by radio.

Angolan Army regional commanders, in interviews last month in Lubango, capital of adjacent Huila Province, scoffed at reports that such a massive buildup was under way and said they would not risk the South African intervention that would inevitably follow a major offensive toward Mavinga and the Jamba enclave.

Mr. Savimbi's rebel commanders declined to pinpoint their frontline strength, but their outlook, confidence, and the evidence of their deployment along a three-mile-long defensive line at Chambianga, suggests that a sizable portion of UNITA's 28,000 regular troops would be available to try to

stem any MPLA advance. "We learned in 1985 not to put all our forces in one place," General Ben said.

"So we still have forces south and west of Cuito Cuanavale. Always when they push ahead, they leave their rear vulnerable, so we are leaving some of our forces behind them to harass their supply lines."

UNITA's chief of military intelligence, Brigadier Perigrino Wambu, said in an interview. "The major vulnerability of the MPLA is their logistics. With our guerrilla actions behind their lines, we will force the enemy to pull out of the conventional front to protect their supply lines."

Mr. Savimbi also emphasized the potential decisiveness of the expected offensive.

"It is a question of life or death for UNITA," he said. "On their side, it is a question of lose and start to negotiate. They will have to talk with us if they fail. On our side, it is lose and disappear."

PEACE: U.S. Ploy Is Seen

(Continued from Page 1)

House motivation for suddenly promoting the plan was to seize the initiative from the Iran-contra committees, whose public hearings ended Monday.

That same strategy worked in February, when the day after the Tower Commission report on the Iran-contra affair was published, the White House suddenly announced that Howard H. Baker Jr. was replacing Donald T. Regan as White House chief of staff, deflecting the public debate from the report to the new White House team.

But the suddenness of this announcement caught some administration officials off guard, including Secretary of Defense Caspar W. Weinberger. A senior official said Mr. Weinberger was irritated not to have been included in discussions of the plan and to find that it called for the end of military maneuvers in Honduras.

"They are his baby," the official said.

The heads of the Central American states also were caught unawares, State Department officials said.

Nonetheless, senior officials from Guatemala, El Salvador, Honduras, and Costa Rica expressed conditional support on Wednesday for the new proposal.

The 1985 Reagan peace plan included a demand that the Sandinistas negotiate directly with contra leaders — an idea that the White House knew was "utterly impossible" for Nicaragua to accept, a senior official said at that time.

Wednesday's plan includes no

SAUDI REDUCE CORDONS

Saudi Arabia reduced the rings of security forces around two Iranian diplomatic missions Thursday. The Associated Press reported from Jeddah, Iran had warned that it would respond with force if the cordons were not lifted.

Iranian diplomats at the general consulate in Jeddah said that "the siege has been lifted" and the staff was free to move in and out.

The deputy chief of mission at the Iranian Embassy in Riyadh, Parviz Afshari, said, however: "A number of the security officers have gone, but others are still there outside the embassy. Now, it's a partial siege."

Saudi Arabia said Thursday that three of its diplomats missing in Tehran since Saturday had been freed but that the fate of a fourth was unknown. Reuters reported from Bahrain, citing a Foreign Ministry spokesman quoted by the Saudi Press Agency. The spokesman gave no details.

Iranian demonstrators ransacked the Saudi Embassy in Tehran after hundreds of Iranian pilgrims were killed or wounded in a riot in Mecca.

President Ronald Reagan meets some of the leaders of the Nicaraguan contras at the White House.



President Ronald Reagan meets some of the leaders of the Nicaraguan contras at the White House. From the left are Alfonso Robelo, Aristides Sanchez, Maria Azucena Ferrey, Pedro Joaquin Chamorro, Alfredo Cesar and Adolfo Calero.

such clause, but it does say Nicaragua must "stop receiving military aid from Cuba, the Soviet Union and the Communist bloc countries," if negotiations are successful and the United States ends aid to the contras. That, a senior official said, "is nonnegotiable for the Nicaraguans, and that is known" in Washington.

American officials also said they doubted the Sandinistas would easily accept the plan's broad proposals for democratic reform in Nicaragua or its idea that negotiations would begin before the contras had disarmed and disbanded.

The senior official, who has been directly involved in Central American affairs, said: "If the White House had thought the plan was acceptable, they would have changed it."

But Mr. Shultz said, "This is not a ploy," adding, "What is being put forward here is reasonable, sensible."

Some congressional Democrats said that they viewed the plan as little more than a tactic to win support for the White House's expected request for \$150 million more in contra aid. The administration's record on Central American

BUSH: Hearings Seen as Acquittal

(Continued from Page 1)

had predicted, Mr. Bush said, "I'd say that if you are a proper informant, you can't make a proper judgment. I think the American people are fair. They know you learn from experience. You learn even when you're denied information."

He added: "And they know the realities of the job I'm in. I'm not the president."

Mr. Bush said he never discussed the arms sales with Mr. Casey.

"Casey didn't talk to me about anything," Mr. Bush said. "The CIA director doesn't report to the vice president."

Mr. Bush had high praise for Mr. Poindexter and Lieutenant Colonel Oliver L. North, the dismissed Na-

JFK: Delays Reduced

(Continued from Page 1)

tion booths in the airport are filled, she said. Last summer, some booths went unattended.

"We are very encouraged," said William Cahill, a spokesman for the Port Authority of New York and New Jersey, which manages the airport and criticized the immigration service last year.

Last year, it took an hour or more to process passengers from 55 percent of the 180 international flights in June and July through immigration and customs, Mr. Cahill said. In the same months this year, out of 186 flights, only 27 percent took more than an hour.

"It is still not what we expected," said Ernesto Ricci, the station manager for Alitalia Airlines and the spokesman for European International Carriers, which represents more than 30 international airlines.

The ideal journey from landing to exiting the airport, including passage through immigration, baggage collection and customs, should not be more than 45 minutes, he said.

"We are still experiencing delays of an hour and a half or longer on certain flights," said John A. Bastia, a senior vice president at Aer Lingus and the spokesman for the 12-member European North Atlantic Carriers Group.

"One would have to reserve judgment," he said, on whether or not "there is genuine improvement until September is behind us."

Panama Lifts Ban on Demonstration; 5 Opposition Leaders Go Into Hiding

Reuters

PANAMA CITY — Panama's military-dominated government lifted a ban on an opposition rally planned for Thursday as leaders of the protest went into hiding to avoid arrest.

The Panama City mayor, Jilma Noriega de Jurado, said the ban was lifted after President Eric Arturo Delvalle met opposition figures on Wednesday.

The rally was called by the National Civic Crusade, an alliance of business, civic and student groups whose aim is to force General Manuel Antonio Noriega, the head of Panama's armed forces, to step down and leave the country.

Tensions were high Wednesday, when Panama's attorney general accused five Crusade leaders of

planning a coup and issued arrest warrants for them.

Relatives and colleagues of the five said they had gone underground to escape arrest and were in "a safe place."

In Washington, Secretary of State George P. Shultz said Thursday that the United States had no plans to resume aid to Panama.

Mr. Shultz criticized the Panamanian military, which has effectively taken control of the government, saying he believed that, as in the United States, "the armed forces should be professional and not political."

Mr. Shultz also condemned a recent raid by Panamanian government agents on the offices of the Crusade.



WEEKEND

- Sculpture in Berlin
- A Question of Sound
- American Actors Abroad

International Herald Tribune

CRITICS' CHOICE

EDINBURGH

E Pluribus Unum

■ The Edinburgh Festival (Aug. 9-31) is the usual cornucopia of the arts, with a heavy representation from the Soviet Union, a celebration of George Gershwin (including a concert performance of "Girl Crazy") on the 50th anniversary of his death, a survey of two centuries of the string quartet, and for the first time a resident orchestra — the Pittsburgh Symphony under Lorin Maazel and Michael Tilson Thomas. The festival's second World Theater Season brings the Gorky Theater of Leningrad, the Gate of Dublin, the Raun Roun Theater of Papua New Guinea, the Tbilisi State Puppet Theater, the Berliner Ensemble, the Cameri Theater of Tel Aviv, the Yume no Yumisha company from Japan, the Royal Exchange of Manchester, and some of the festival's own productions. Dance offers the Ballet Théâtre Français with a homage to the Diaghilev Ballets Russes, folk dancers from the north of Russia, and a company from China with "The Soul of the Terracotta Army." Opera comes from Stockholm, Frankfurt and Helsinki. The Bolshoi Opera orchestra and the Scottish Chamber and National orchestras are among those joining the Pittsburghers, who will not only perform but tutor students and players in the region. The Melos Quartet of Stuttgart will do a Beethoven cycle, the Shostakovich Quartet plays the music of its namesake and other Russians, and the Arditi Quartet and others present the contemporary scene. Exhibitions include New Scottish Art, "A Celebration of Mary, Queen of Scots," David Salle and much more, and that does not even touch on the vast Fringe program.

HILDESHEIM

Treasures of the New Kingdom



■ Under the title "Ägyptens Aufstieg zur Weltmacht" (Egypt's Rise to World Power), the Roemer- und Pelizaeus-Museum — which itself has one of West Germany's richest collections of Egyptian antiquities — has mounted an exhibition of archaeological treasures from the period of the early New Kingdom (1550-1400 B.C.). Included are more

than 300 exhibits from museums in Cairo, Paris, New York, East Berlin and elsewhere, as well as scale copies of tomb paintings. Running concurrently is a show of about 50 oils, lithographs and other works by the contemporary Egyptian artist and Egyptologist, Abdel Ghaffar Sheddid, who incorporates images from ancient Egypt in his work. The shows run to Nov. 29.

LUCERNE

An Eclectic Musical Feast

■ The Lucerne Festival (Aug. 15-Sept. 9) is one of the oldest established firms in the festival business, and one of the few to depend mainly on concerts rather than theater. The programs take due note of anniversaries, among them the 50th of the deaths of Ravel, Roussel and Gershwin, including an exhibition that emphasizes the Swiss connections of Maurice Ravel and Albert Roussel. Music of 20th-century American composers is liberally represented, beginning with Aaron Copland in the opening concert. Leonard Bernstein is represented by his "Chichester Psalms," then he turns up in the flesh conducting the Vienna Philharmonic in Mahler, Sibelius and his own "Jeremiah" Symphony, and other programs offer works by Charles Ives, Elliott Carter, George Rochberg, Irving Fine, Samuel Barber, Roger Sessions and Gunther Schuller. The Municipal Theater has a production (in German, of course) of Arthur Miller's "Death of a Salesman." Exhibitions include Augusto Giacometti (1877-1947), a Swiss pioneer of abstract art and a major figure in the Symbolist movement, and the American photographer T.E. David Plowden. Both run until Sept. 20.

NEW YORK

Festival Latino

■ The 11th Festival Latino — the biggest Latin American cultural event in the United States and one of the most important showcases anywhere for Latin talent — runs through Aug. 23 with Latin American, Spanish and Hispanic-American theater, films and music at the Public Theater on Lafayette Street, the open-air Delacorte Theater in Central Park and the Metro Cinema on upper Broadway. Stage presentations, most with simultaneous interpretations in English through headphones, are at the Public. So is the Tribute to Argentine Cinema, spanning four decades of one of South America's most influential film centers. A movie festival at the Metro offers works from nine Latin American countries, all subtitled in English. Fifty hours of Spanish- and Portuguese-language television programs will be shown over local cable TV. (NYT)

PARIS

Oldenburg's Swiss Army Boat

■ Claes Oldenburg's 78-foot-long boat (24 meters) in the shape of a Swiss Army knife is docked in the center pit of the Pompidou Center. Oldenburg, the man who gave Chicago its giant baseball bat sculpture, devised the craft, which has four oars on each side, two blades that open and a corkswear that serves as a mast, for a happening in Venice two years ago, and it has been floating around museums since. The boat originally was part of a three-person event called "Il Corso del Coltello," with Coosje Van Bruggen and Frank O. Gehry. An exhibition in one of the Pompidou galleries shows costumes, sets and other objects associated with the performance. The Pompidou port call lasts through Oct. 5.



A Gold Mine Of Inca History

A manuscript believed lost for 380 years contains details about the empire that are likely to cause a significant reappraisal of the era.

by Barry James

WHEN Francisco Pizarro and his tiny band of *Conquistadores* marched into Peru and seized control of their empire, the defeated Incas, who had no written language of their own, had few friends to tell their side of the story.

One who did was Juan de Betanzos, a Spaniard from Valladolid who lived among the Inca nobles and compiled a detailed account of their history, legends, laws and customs. But Betanzos's manuscript disappeared 380 years ago, and only a fragment remained to intrigue historians.

Now, by chance, the complete document has reappeared. It was discovered in a private library in Palma de Mallorca by Mari Carmen Martin Rubio, professor of American history at the Complutense University in Madrid. She said the manuscript contains details about the Inca empire and the first years of the Spanish conquest that are likely to cause a significant reappraisal of the period.

"It is a version like no other," she said in a telephone interview. Betanzos learned Quechua, the Inca language, and married a princess, Kusi Rimay Ocllo. She had been destined to become the principal wife of Atahualpa, the last of the Inca emperors, but instead it is believed she became the mistress of Pizarro and had two children before marrying Betanzos. His marriage gave Betanzos access to the educated class of Inca nobles responsible for the collective memory of their race.

These were the *quipu camayoc*, the official interpreters of the *quipu*, a device of knotted, varicolored cords that was used as an aid in reciting narratives, histories and genealogies. The Incas controlled an empire they called Tawantinsuyu stretching from modern Ecuador to southern Chile, the distance from Paris to Moscow.

"Betanzos lived in the Inca court and was sympathetic toward the nobles," Martin Rubio said. "He had a great respect and admiration for everything that inspired their culture."

He injected little of himself into the account, other than to lament the killing of Atahualpa and the destruction of the buildings at Cuzco. He generally remained behind the scenes, preferring to let the Incas tell their story in their own words. "His account is very impartial," Martin Rubio said. "That is one of the reasons it is so valuable."

Most other accounts from that period were by Spaniards about Spaniards, she said. Even the Inca historian, El Inca Garcilaso de la Vega, was writing from a Hispanicized point of view. He was the son of a Spanish nobleman and an Inca princess and spent much of his life in Spain. Pizarro's invasion already had taken place by the time he was born, and part of his sweeping history of Peru is based on secondary sources. Betanzos, however, was with the invasion from the start, and he relies entirely on the *quipu camayoc*.



Copy of a page from the 16th-century manuscript found by historian Maria del Carmen Martin Rubio, above.

"Betanzos went to the primary sources and his chronicles differ substantially from the others," Martin Rubio said. "I think his is probably the more accurate."

The manuscript was written about 1551 on the orders of the viceroy, Antonio de Mendoza, who wanted to find out more about the ancient society the Spanish administration was taking over. It was sent back to Spain, and the original was last heard of in 1607 in a mention by Gregorio Garcia, a Dominican priest who wrote a catechism for the Incas.

A copy of the first 18 chapters detailing the formation of Cuzco and its government was conserved in the library of the monastery of El Escorial near Madrid. This provided valuable material for W.H. Prescott's highly readable but romanticized 19th-century "History of the Conquest of Peru." Like most historians of the period, Martin Rubio was convinced the rest of the document had been destroyed. Some time ago, a friend sent her a clipping from a local newspaper that said a copy of Betanzos's book was in the library of the Bartolomé March foundation in Palma de Mallorca. She thought little of it, assuming

the clipping referred to a copy of the 18 chapters already known.

Nevertheless, she flew to Palma three months ago, saw the manuscript, and immediately realized she had stumbled onto something big.

Martin Rubio says there is no doubt the manuscript is genuine. The parchment dates from the 16th century, and the syntax, spelling and cramped, italic form of Castilian are all from that period. The 120-page manuscript contains all 82 original chapters.

Part one is the fragment already known. Part two describes the laws and social program of Pachacuti Inca Yupanqui, a great reformer among the Inca emperors. The third part details the war between Atahualpa and his brother, Huáscar, for the throne of Cuzco; the death of Atahualpa, whom the *Conquistadores* strangled after he delivered a "king's ransom" of gold; and a subsequent revolt by the Inca leader Manco Capac.

Martin Rubio says the manuscript presents a hitherto unknown view of Pizarro and the Spaniards, whom the Incas regarded as strange, corpulent beings hidden top to toe behind beards, heavy layers of clothes and boots. It describes a well-organized au-

thoritarian Inca society in which the subjects were tightly controlled, but at the same time provided with comprehensive social security. "In some ways, the Incas reached a level we have to envy," Martin Rubio said.

"There is a huge quantity of detail, minutely told," she said.

The historian has prepared the manuscript for publication in Spain in two months, using her knowledge of paleography to transcribe it into modern Spanish. "But I kept the original flavor," she added.

The *quipu camayoc* spent four years learning Quechua, then the language of the Inca nobility, religion, the interpretation of the *quipu* and the history of their race. But Spanish bureaucracy and religion replaced the benign tyranny and theocracy of the Incas. The written word replaced oral tradition and the official memorizers faded away. Betanzos copied down their swansong. It was his, too, for nothing more is known of him.

It appears the manuscript may have been in the possession of the Dukes of Medinaceli since its disappearance. The March Foundation acquired the Medinaceli library 20 years ago.

Bernstein, Boulanger: The Rite of Fontainebleau

by David Stevens

PARIS — A couple of weeks ago the Salle Pleyel was packed for a concert by the Orchestre de Paris, which is a considerable tribute to the drawing power of Leonard Bernstein, keeping in mind that by late July many Parisian *melomanes* have headed south and that by Bernsteinian standards he was making only a one-shot cameo appearance — coming on after the intermission to wind up the concert with one of his warhorses, Stravinsky's "Rite of Spring."

But what this concert was really all about took place before the intermission, when three students of the conducting seminar at the Conservatoire Américain in Fontainebleau took their turns on the podium leading the orchestra in major works from the concert repertory. Bernstein, whose passion and genius for teaching are not less than for other aspects of his art, had spent four days working with the seminar students and the school's 46-piece orchestra in the Jeu de Paume of the Fontainebleau palace. Then he picked three of the 10 students to join him on the stage of the Salle Pleyel.

The three he picked reflected the mix of nationalities among the conservatoire's students, for although the school was founded as a French school for Americans, it has long since ceased to have an exclusively American student body. Jay Talgam, a 29-year-old Israeli, took the orchestra through a neat reading of Prokofiev's "Classical" Symphony. Jean-Marc Burfin, a newly minted *premier prix* in conducting from the Conservatoire de Paris, had the toughest job — Copland's "Billy the Kid" suite. He did not quite get the Paris orchestra to sound idiomatic, but then Copland himself has had that trouble with French orchestras. ("A week ago he didn't know anything about 'Billy the Kid,'" Bernstein said with immense satisfaction after the concert.)

The third was a lanky 30-year-old American, Michael Barrett, who has already studied with Bernstein, among others, and has a fair amount of professional experience, all of which showed in the aplomb with which he conducted Ravel's second "Daphnis et Chloé" suite and accepted the ovation he got for it. It was typical of Bernstein — who is a musical chameleon, at home in all idioms — to have a Frenchman conduct Copland and an American do Ravel.

The concert was a benefit for the Ecoles d'Art Américaines — the formal name of the conservatoire and its associate Ecoles des Beaux-Arts. It also commemorated the 100th anniversary of the birth of Nadia Boulanger, who taught at the conservatoire



Leonard Bernstein with the student conductors.

from the time it was founded in 1921 until her death in 1979 and was its director for the last 30 years of her life. For good measure, this year also is the 50th anniversary of the deaths of two other noted French musicians who were directors of the conservatoire, Maurice Ravel and Charles-Marie Widor.

The purpose of this exercise was, of course, to honor the memory of Nadia Boulanger, but more important, it was a highly visible sign of an effort — under a new director, Jean-Pierre Mariy — to refine the mission of the Conservatoire Américain, 66 years after its creation and eight years after the death

of the woman whose benevolent tyranny ruled the school for so long.

Cultural exchange was hardly the idea when General John J. Pershing asked Walter Damrosch, the conductor, educator and musical popularizer, to do something about improving the quality of musicians in the American Expeditionary Force. This led to the AEF Bandmasters and Musicians School at Chaumont, under the French musician and pedagogogue Francis Casadesus, and with an all-French faculty.

Casadesus was impressed by "the wonderful influ-

ence that Americans and French have over one another," and he was persuaded that "such natural, pure and agreeable relations" should continue after the hostilities in the form of a summer school at which American students could benefit from the tuition of professors of the Conservatoire de Paris.

With the support of the French government, the prefecture of the Seine-et-Marne department and the town of Fontainebleau, the school was given the use of the Louis XV wing of the palace, while Damrosch continued to collaborate enthusiastically from across the Atlantic.

The target was 1921, although by March of that year Damrosch felt things were not moving quickly enough and tried to persuade Casadesus to delay opening until 1922, when there would be "several hundreds of eager young Americans ready to take advantage of such a splendid opportunity."

Nonetheless, the school was inaugurated on June 26, 1921, in the imposing presence of Camille Saint-Saëns, then 86 and in the last year of his life. The heavyweight faculty included Francis Casadesus, Isidor Philipp for piano, Lucien Capet for violin, Albert Wolff for conducting and, in the younger ranks, a 34-year-old teacher of solfège and harmony, Nadia Boulanger, and an assistant named Robert Casadesus, the 22-year-old nephew of Francis, then at the threshold of his brilliant piano career. (Robert Casadesus was also later director of the conservatoire, and his widow, Gaby, was on the faculty this year for master classes in Debussy and Chopin.)

Also present were 85 eager young Americans, some of whom had come with the help of a 25 percent student fare cut by the French Line. One of them was a 20-year-old from Brooklyn named Aaron Copland. Copland discovered Nadia Boulanger at Fontainebleau and stayed on to study privately with her for three years in Paris, establishing a pattern that would be followed by so many Americans (although not only Americans) that a list of them would include a kind of honor roll of American composers since that time.

Widespread belief to the contrary, Bernstein's name would not be on that list. He did not study with her, but some of his musical education might well have come to him from Boulanger via others, and he certainly revered her for the same reason that Copland gave when he spoke at the school on its 15th anniversary — for "her attitude toward the whole art of music; I have never met anyone to whom music as an art meant so much."

For her part, Nadia Boulanger said she had met Bernstein only after he had finished his studies at Harvard, "but he was one of those pupils who can be taught very little because they have understood every-

Continued on page 9

WEEKEND

Foreign Filmmakers Turn to American Performers

by Annette Insdorf

ALTHOUGH there is nothing new about American actors starring in foreign directors' films — from Marlon Brando in Bernardo Bertolucci's "Last Tango in Paris" to William Hurt in Hector Babenco's "Kiss of the Spider Woman" — the phenomenon is assuming ever-larger proportions. For economic as well as artistic reasons, directors from abroad making English-language movies want to work with American performers; similarly, actors from the United States are attracted to the challenging projects that Hollywood doesn't seem to be offering. Perhaps Hurt's Academy Award and Cannes Film Festival prize for best actor sent an important signal to his colleagues, namely that a South American director could shape brilliant characterization as skillfully as an American.

"Good Morning, Babylon" and "Un homme amoureux" ("A Man in Love") are two examples of this growing internationalization. Both are English-language films shot in Europe by acclaimed foreign directors — the Taviani brothers ("Padre Padrone") and Diane Kurys ("Entre Nous") — and mainly starring American actors.

The trend continues with "Deadline," directed by the Israeli Nathaniel Gutman and starring Christopher Walken as a cynical American reporter confronted by war-torn Beirut. And John Shea — whose credits include Costa-Gavras's "Missing" — co-stars with Kelly McGillis in another upcoming English-language Israeli film, "Dreamers."

Both "Good Morning, Babylon" and "Un homme amoureux" met with mixed critical response when they premiered at the Cannes Film Festival, but the acting was lauded across the board. European audiences discovered Peter Coyote and Peter Riegert in Diane Kurys's first English-language film and Joaquim de Almeida and Vincent Spano in Paolo and Vittorio Taviani's first non-Italian effort. (Greta Scacchi, incidentally, appears in both.)

The Taviani brothers chronicle the experiences of two Italian brothers who come to the United States and work for D.W. Griffith, designing the Babylon sets for his epic film "Intolerance." In "Un homme amoureux," also set in the world of filmmaking, a famous — and married — American actor (Peter Coyote) falls in love with a bit player (Scacchi) while making a movie about the Italian writer Cesare Pavese. Kurys follows multiple relationships that include the actor's to his buddy (Peter Riegert), and the actress's to her dying mother (Claudia Cardinale).

The four United States-based actors offered a wide range of observations on the reasons for this internationalization, as well as on the differences between making films abroad and at home. Riegert — who holds something of a record, having starred in "Local Hero" for the Scottish Bill Forsyth, "Le Grand Carnaval" for the French Alex-



William Hurt, left, and Raul Julia in "Kiss of the Spider Woman."

andre Arcady and the upcoming "Stranger" for the Argentine Adolfo Aristarain — said that "with foreign directors, there's more playfulness, or play, with the making of the movie. While there's still a lot of pressure to do well, the economic pressure is not as great."

"The stories are different," added the New York-based actor, "much less in search of the widest demographics. And they are cast according to the particular story rather than for publicity purposes. Diane — much like Bill and Adolfo — is very open to pushing what's at stake in a scene. They're not limited by the text — they're inspired by it. They have an innate understanding of how things change."

Riegert, who is currently starring on Broadway in "The Nerd," stressed the "more human scale" of foreign films.

"It's an economic phenomenon," the 40-year-old actor continued, "paralleled by the independent film movement in the States. There are enough people wanting to do things — whether writers, directors or actors — and there's not enough work in mainstream Hollywood. Just by necessity, the bounds will be pushed aside by the various needs of creative people."

But where European filmmakers once dubbed Americans into foreign languages,

now they leave their dialogue in English. "That's market-related," said Riegert, whose other credits include "Animal House" and "Concealed Enemies" in which he played Richard Nixon. "As the prices go up to make movies abroad, the American market is too huge to be ignored. 'A Man in Love' is not going to have much opportunity to make money only in France, especially now that France's moviegoing public has shrunk because of TV."

Diane Kurys maintained that the reason she made the film in English is that the central character "is American — as a real movie star has to be." Casting him was not easy until she saw "Heartbreakers," in which Coyote played what the title implies. "I had already seen 'The Jagged Edge' and 'Stranger's Kiss,' but never thought of using him in the lead," she said. "After 'Heartbreakers,' I said, 'perfect': Coyote has a lot of charm, intelligence, tenderness and vulnerability. As far as Riegert is concerned, I wrote the part of Michael directly for him, and he was the first one cast."

The first actor cast in "Good Morning, Babylon" was Joaquim de Almeida, who came here from his native Portugal 11 years ago. He appeared in "Beyond the Limit" with Richard Gere, and his strong screen presence was not forgotten by José Villa-



Vincent Spano, Vittorio and Paolo Taviani, Joaquim de Almeida in "Good Morning, Babylon."



Peter Coyote and Jamie Lee Curtis in "A Man in Love."

verde, the California casting director for the Taviani brothers' drama. "The Tavianis talk more about emotions. One particularly good thing was that they were so secure and sure of where to put the camera that they had time to take care of the actors. We were able to discuss things during rehearsals."

This is one of the key points that Kurys stressed, as she observed that American actors are "more available before and during shooting. In France, we don't rehearse; producers don't let you, because there's not enough time and you can't bring the actors earlier."

"American actors have a sense of their art that is sharper than ours," she continued. "There's a constant inventiveness; they sug-

gest more things, and really take the acting seriously. For example, Riegert chose all his costumes; he brought them in a suitcase, one for every day!"

The contributions of the American actors were especially important to her, because "Un homme amoureux" depends on character nuance more than linear plot development. As Coyote perceived, "The structure is derived from the intentions of the characters, whereas most American films have the intentions of the character subjugated to the plot."

During a telephone interview from Toronto, where he is shooting a mini-series, he added that "the primary difference is Europe's vibrant intellectual tradition: ideas have real currency there. I think that the reason I usually play villains in America and played a hero in France aptly reflects the differing attitudes of the two continents toward intellectual thought."

American actors do not have the same freedom that Riegert perceives among European performers: "They go from lead to supporting role, to cameo," he remarked. "We have a class system: if you do a few leads and then take a supporting part, people ask, 'What happened?' My ambition, or fantasy, is to make a movie in every country. My idols are the silent actors like Chaplin and Keaton who, because of silence, crossed all boundaries."

Annette Insdorf is professor and director of undergraduate film studies at Columbia University. She wrote this article for The New York Times.



Nadia Boulanger, whose 100th anniversary was observed this year.

Bernstein-Boulanger Continued from page 7

thing," as she is quoted by Bruno Monsieurgin in his "Mademoiselle."

Jean-Pierre Marty shrugs helplessly when asked what it is like to be in the seat once occupied by Nadia Boulanger. At 55, he is an all-around musician: conductor and pianist, author of a scholarly tome, "Tempo Indications of Mozart," due from Yale University Press next year, and former director of opera at Radio France. At 12 he was a piano pupil of Alfred Cortot, and much later of Julius Katchen. He spent a dozen years of his career in the United States — where he began conducting with the New York City Ballet and American Ballet Theater — which gives him a usefully bilingual attitude to his new job. He, too, studied with Nadia Boulanger. She was unique and by definition irreplaceable, his shrug seems to say. The world has changed, but the school remains.

"The basic problem is the orientation of the school; it has to justify its existence," he said. "In some ways, the fact that Nadia Boulanger taught and ran the conservatoire for so long was perhaps not good for the school as an entity."

"The Conservatoire Americain was founded to fill a gap when American music education was in an embryonic state. But that changed. Now many French want to go to American schools."

That sea change in the world of music education dates mainly from the end of the Second World War and it is what the school now must face. Marty believes. Indeed, there has been a 30-year delay, in large part because Nadia Boulanger was who she was,

and her fame in the United States was the main attraction for students. "She was one of those people — Bernstein is another — who have ideas and the force of character to carry them out. Their acts are meaningful because they did them. The point is not to try and imitate Nadia Boulanger and the way she ran the school, but to concentrate on what the school has to offer, on what there is here that cannot be found elsewhere."

One thing the school has is its setting, the palace of Fontainebleau in lovely countryside 65 kilometers (40 miles) south of Paris, where the school has its classes for two months each summer. After the grand Mademoiselle died in 1979, the authorities did what they had been wanting to do for years — move the conservatoire from the Louis XV wing, so it could be renovated, to the part of the palace known as the Quartier Henri VI. The offices and practice studios there are spartan, but spacious.

The concerts that are given for school and town during the term are still being held in the palace's Jeu de Paume, which has an organ and a stage big enough for a small orchestra. But the Jeu de Paume is marked for restoration, too, and Marty is now jousting with the Culture Ministry to try and stymie this, or at least get a good replacement. The French foundation that operates the Ecole d'Art Americain also owns its own faculty and student restaurant and two student hotels in the town.

But more important, Marty feels, is that the school still has much to offer Americans in what is unique about a French musical education. "There is no point in trying to compete with the hundreds of American schools and summer courses. There is solfège, the thorough French way of studying theory and analysis; there are the different French schools of instrumental playing; there is the French song and lyric repertoire, touch of a meeting point of different disciplines, with both a performance channel and a theoretical one. There shouldn't be prizes or awards, and I'm not sure whether it should be part of the American credit system — it could lose some of its flavor."

Marty knows he has a lot of work to do. The student body of about 65 for the two sessions this summer is well below that of the Boulanger heyday. He hopes to attract some non-government subsidies to augment the tuition money (\$2,500 for all eight weeks this year), and to initiate a more systematic student recruitment and scholarship program. The trick is to attract strong faculty with good students, and vice versa.

Marty admits that not all of his plans this year worked as well as the conducting seminar, which he taught and Bernstein took over for four days. But Bernstein's presence attracted advanced students, made it possible to attract a 46-piece resident orchestra for little more than two weeks of room and board, and set up the Salle Pleyel concert. Bernstein's return is hoped for next year.

"I told the Culture Ministry," Marty said, "that it was only through this course that a graduate of the Conservatoire de Paris got to conduct the Orchestre de Paris."

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Greece	Dr. 22,000	12,000	6,600	Dr. 49,56 Dr. 18,040
Ireland	£.Ir. 150	82	45	£.Ir. 0,29 £.Ir. 106
Italy	Lire 380,000	210,000	115,000	Lire 756 Lire 275,200
Luxembourg	L.Fr. 11,500	6,300	3,400	L.Fr. 18,41 L.Fr. 6,700
Netherlands	FL 650	360	198	FL 1,21 FL 440
Norway	N.Kr. 1,800	990	540	N.Kr. 3,05 N.Kr. 1,110
Portugal	Esc. 22,000	12,000	6,600	Esc. 64,56 Esc. 23,590
Spain*	Ptas. 29,000	16,000	8,800	Ptas. 55,33 Ptas. 20,148
Sweden*	S.Kr. 1,800	990	540	S.Kr. 3,05 S.Kr. 1,110
Switzerland	S.Fr. 510	280	154	S.Fr. 1,10 S.Fr. 400
Rest of Europe, North Africa, former French Africa, Middle East	S 430	230	125	Varies by country
Rest of Africa, Gulf States, Asia	S 580	320	175	

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Symbol	Vol.	High	Low	Last	Chg.
IBM	4129	285	275	280	+5
AT&T	3422	28	27	27	+1
Amgen	2376	10	9	9	+1
Amgen	2376	10	9	9	+1
Amgen	2376	10	9	9	+1

NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume
191,850,000	191,850,000	191,850,000
191,850,000	191,850,000	191,850,000
191,850,000	191,850,000	191,850,000

Composite	High	Low	Close	Chg.
1837	1837	1837	1837	+183
1837	1837	1837	1837	+183
1837	1837	1837	1837	+183

Thursday's
NYSE
Closing
Via The Associated Press

Advanced	Declined	Unchanged	New Highs	New Lows
12	12	12	12	12
12	12	12	12	12
12	12	12	12	12

Composite	High	Low	Close	Chg.
1234	1234	1234	1234	+123
1234	1234	1234	1234	+123
1234	1234	1234	1234	+123

Symbol	Vol.	High	Low	Last	Chg.
Amgen	1234	10	9	9	+1
Amgen	1234	10	9	9	+1
Amgen	1234	10	9	9	+1

Bonds	Close	Chg.
100	100	+100
100	100	+100
100	100	+100

Advanced	Declined	Unchanged	New Highs	New Lows
12	12	12	12	12
12	12	12	12	12
12	12	12	12	12

Aug. 5	Aug. 6	Aug. 7
1234	1234	1234
1234	1234	1234
1234	1234	1234

Open	High	Low	Last	Chg.
1234	1234	1234	1234	+123
1234	1234	1234	1234	+123
1234	1234	1234	1234	+123

Industrials	High	Low	Close	Chg.
1234	1234	1234	1234	+123
1234	1234	1234	1234	+123
1234	1234	1234	1234	+123

Advanced	Declined	Unchanged	Total Issues
12	12	12	12
12	12	12	12
12	12	12	12

High	Low	Close	Chg.
1234	1234	1234	+123
1234	1234	1234	+123
1234	1234	1234	+123

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

A Record, Again, for the Dow

United Press International
NEW YORK — Prices on the New York Stock Exchange surged to new records on Thursday as a strong high-technology sector helped propel the Dow Jones industrial average to its fifth high in eight sessions.

The Dow soared 27.58 to 2,594.23 on Thursday, surpassing its record of 2,572.07, set July 31.

Winners outpaced losers 2 to 1 among the NYSE issues traded.

About 191.9 million shares changed hands, virtually unchanged from 192.7 million on Wednesday.

The market opened higher but its under pressure from profit-taking, briefly lost its forward momentum. Buyers returned at midday, however, seizing modest price cuts as opportunities to buy more stocks.

"The uptrend is very much intact," said Hildgard Zagorski, analyst at Prudential-Bache Securities. "Nothing — not even Iran — seems to really throw this market off track."

She said, "People keep looking for a correction and if never comes. When the market does drop off, this ocean of cash available for investing comes in; the market never really has a chance to go down."

Trade Laitner, analyst at Josephthal & Co., said, "The market is very, very strong in spots and there's no real weakness anywhere."

Ms. Laitner said strength in semiconductor issues had spread to other technology stocks

and to mainframe producers such as IBM and Digital Equipment.

"The breadth of the advance is improving every day," she said. "Even the low-priced stocks are beginning to participate in a much more aggressive way."

Ms. Laitner said that as confidence grows, speculation is increasing, an early sign that the market may be approaching a top. "But in this kind of market," she said, "a top can last a long, long time."

Union Carbide was the most active NYSE-listed issue, rising 3/4 to 28 1/2.

AT&T followed, up 1/4 to 33 1/2. National Semiconductor was third, rising 1/2 to 14 1/2. Digital Equipment climbed 3/8 to 16 1/2. Motorola climbed 1/4 to 60. Advanced Micro Devices jumped 1/2 to 19 1/2. Texas Instruments climbed 1/4 to 65 1/2 and Teradyne jumped 1/4 to 32.

Computer issues also drove the market. IBM jumped 3/4 to 163. Cray Research gained 5/8 to 110. Digital Equipment climbed 3/8 to 16 1/2. Compaq Computer jumped 3/4 to 50 1/2 and Hewlett-Packard climbed 1/4 to 65.

Kemper Parker Toys jumped 3/4 to 45 1/2. It filed an anti-takeover suit against New World Entertainment, which said early Thursday that it had launched a tender offer for Kemper Parker at \$4 1/2 a share. New World closed unchanged at 10.

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

12 Month High	12 Month Low	Stock	Div. Yld. PE	St. High	Low	Close	Chg.
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100
100	100	IBM	100	100	100	100	+100

(Continued on next left page)

Why do we need a fleet of 28 wide-bodied jets?



FRIDAY, AUGUST 7, 1987

Why do we need to build the world's most modern flight kitchen?



WALL STREET WATCH

Investment Help Wanted? 'Temp' Firms Are Booming

By VARTANIC G. VARTAN New York Times Service

NEW YORK — Most analysts continue to give high marks to the temporary-help business—a niche industry that sprang into the Wall Street spotlight this week when Blue Arrow PLC, the leading employment agency in Britain, made a surprise takeover bid for Manpower Inc., the largest "temp" provider in the world.

Blue Arrow offered \$75 a share for the much-larger American company. The market's immediate response was to send Manpower's stock shooting ahead \$15.625, to \$78, on Tuesday, and up another 50 cents, to \$78.50, on Wednesday.

While the outcome of the bid remains uncertain, shares of other leading temporary-help companies — Kelly Services, Olsten Corp. and Adia Services — also have reached highs.

"Temp" firms have benefited from the vast restructuring in U.S. industry since the early 1980s.

Instead, analysts said these stocks are attractive because of their record of steady profit growth even in the face of a ho-hum U.S. economy. For example, earnings at Kelly Services, the largest supplier of temporary personnel in the United States, tripled from 73 cents a share in 1982 to \$2.27 a share in 1986.

In one sense, temporary-help companies are a beneficiary of the vast restructuring that has occurred in American industry since the early 1980s, said Judith Scott of Robert W. Baird & Co. in Milwaukee.

"As companies concentrated on reducing fixed costs, they realized the advantages and flexibility of using temporary workers in clerical, marketing, industrial and other capacities," she said. "And as demand for new skills increased in such areas as computer programming and data processing, the service companies moved quickly to fill the need at the same time their own training procedures grew more sophisticated."

ONE ADVANTAGE, too, of hiring temporary help is that employers avoid paying for benefits. They are shouldered instead by the employment-service companies. Mr. Levine of Merrill Lynch has made "buy" recommendations for both Kelly and Olsten. "I estimate earnings of Kelly Services at \$2.85 a share this year and, for 1988, profits could show a further gain of 22 to 25 percent," he said.

Olsten earned 75 cents a share in 1986, after adjustment for a recent 3-for-2 stock split. Mr. Levine projects per-share profits of from 97 cents to \$1 for this year, with earnings climbing another 25 to 30 percent in 1988.

Ms. Scott also continues to regard Kelly and Olsten as "buys." She foresees per-share profit at Kelly of \$2.85 this year and \$3.35 in 1988, and at Olsten of \$1 in 1987 and \$1.20 next year. Fran Blechman Bernstein, the Merrill Lynch analyst who follows buy-rated Adia Services, estimates per-share profit at \$1.05 to \$1.15 this year and \$1.30 to \$1.40 in 1988. Last year, the company earned 76 cents a share.

In American Stock Exchange trading on Wednesday, Olsten rose 50 cents, to \$27.25. The shares have doubled within the last 52 weeks. In over-the-counter trading, Kelly Services gained 75 cents, to \$64.25. Its shares have quadrupled in price since mid-1984. Adia Services rose 12.5 cents, to \$28.625.

Another small but fast-growing company in the field is Uniforce Temporary Personnel. Its shares fell 50 cents on Wednesday, to \$12.75, after selling for as low as \$4 within the past year. Despite the bright future, growth of temporary-help companies could slow abruptly should a severe economic recession come to pass. The last recession, for example, pared the profits of Kelly Services from \$1.10 a share in 1981 to 73 cents the following year. In the similar period, Olsten's earnings dropped from 43 cents a share to 31 cents.

Currency Rates

Table with columns for City, Rate, and Date. Includes Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, and 1SDR.

Table with columns for Country, Currency, and Rate. Includes Argentina, Austria, April, Brazil, Canada, China, Danish, Egypt, and others.

Interest Rates

Table with columns for Term, Rate, and Date. Includes 1 month, 2 months, 3 months, 6 months, and 1 year.

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U.S. Cuts Growth Forecast

'88 Projection Revised to 3.5%

The Associated Press

WASHINGTON — The Reagan administration on Thursday revised downwards its forecast for 1988 U.S. economic growth, but left unchanged its projection for 3.2 percent growth in gross national product this year.

The 1987 growth forecast is close to that projected by many private economists. GNP measures the total output of a nation's goods and services.

The administration said the economy would continue to expand through 1992, with 3.5 percent growth next year that would taper off to 3.1 percent by 1990. In January, the administration projected that GNP would grow 3.7 percent in 1988.

The administration said that inflation, as measured by the Consumer Price Index, would rise 4.8 percent this year — a full percentage point higher than the January projection.

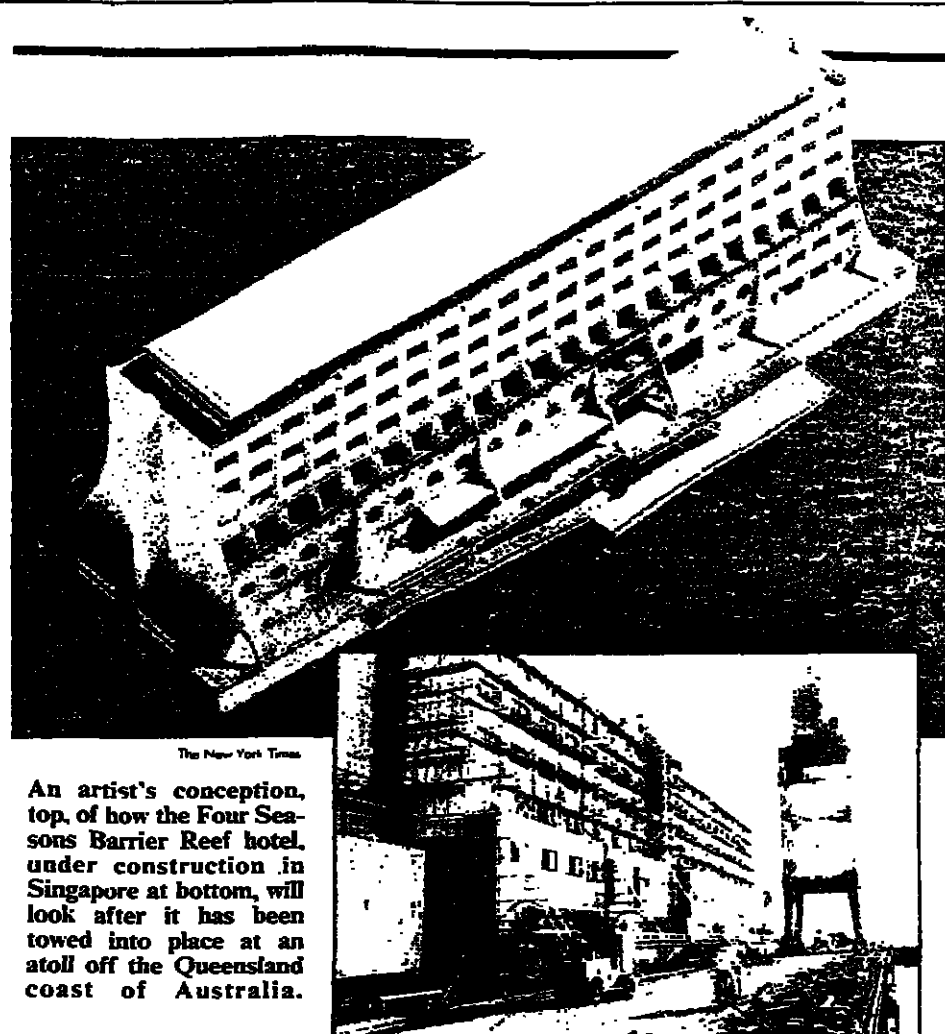
Still, the prediction is below the 5.4 percent annual rate at which the Consumer Price Index increased for the first six months of the year.

Beryl W. Sprinkel, chairman of the President's Council of Economic Advisors, said that the higher rate was not expected to persist. That rate has been attributed largely to rebounding oil prices and a weakening dollar, which has made imports more expensive.

The administration also raised its projection on interest rates. It said three-month Treasury bills would average 5.7 percent, compared with 5.3 percent projected in the president's budget in January, while 10-year Treasury securities would average 8 percent, rather than 6.7 percent as earlier forecast.

West German GNP

West Germany's inflation-adjusted gross national product grew 1 to 1.5 percent in the second quarter after a weak first quarter, the Associated Press reported from Bonn on Thursday, quoting the Economics Ministry.



An artist's conception, top, of how the Four Seasons Barrier Reef hotel, under construction in Singapore at bottom, will look after it has been towed into place at an atoll off the Queensland coast of Australia.

In Asia, a Hotel Prepares to Set Sail

By Barbara Crossette New York Times Service

SINGAPORE — The world's first floating luxury hotel — a 200-room building with disco, swimming pool, tennis courts, conference rooms, a marina and two restaurants — is nearing completion here at a Bethlehem Steel shipyard.

Construction of the seven-story building, atop a 20-foot-deep (6.1-meter) "basement" barge containing generators, trash incinerators, cold stores, wine cellar and a desalination plant for drinking water, is only part of an unusual enterprise story.

When finished, probably in September or early October, the hotel will have to be floated and towed by a special ship 2,300 miles (3,500 kilometers) to its mooring, 40 miles off the coast of Australia. There, it will be anchored in an atoll of the Great Barrier Reef, a scuba-diving and game-fishing paradise.

"That part is the hotel owner's problem," M. H. Leubecker, president and general manager of Bethlehem Steel Singapore, said with a smile as he discussed the project in his office at the shipyard. For Bethlehem Singapore — 70 percent controlled by Bethlehem Steel Corp. and 30 percent

U.K. Inquiry Halts Merger of BA, Caledonian

Compiled by Our Staff From Dispatches

LONDON — The British government ordered an investigation Thursday into the proposed merger of British Airways PLC and British Caledonian Group PLC, halting the £237 million (\$372 million) agreement.

British Airways said that its offer to acquire unprofitable BCal lapsed after the trade and industry secretary, Lord Young, referred the plan to the Monopolies and Mergers Commission.

But BA said that it would review the bid if the commission's report cleared the proposed merger. Inquiries into anti-competitive implications of takeovers and mergers ordinarily take around six months, but the Department of Trade and Industry stipulated that in this case, the review should last no more than three months.

British Caledonian's chairman, Sir Adam Thomson, had said his airline would withdraw from the agreement, announced July 16, if the government referred the plan to the mergers commission.

But on Thursday, Sir Adam appeared to retreat from that position, saying in an interview: "If the referral were to have been for six months, that would have given us a problem, but we might be able to accept a three-month study."

He said British Caledonian would hold a board meeting on Saturday to decide whether to continue the talks with BA.

The BCal chairman said that if six months had passed with the airline's status in limbo, doubts would have been raised in travel agents' minds about booking passengers on its flights. But he added, "We can stand solid on our bookings over the next three months."

Sir Adam has said that BCal had held talks with other airlines, and that the carrier was prepared to resume them if the merger with BA was blocked.

Sources close to the company said Thursday that talks had been held with Alitalia, KLM Royal Dutch Airlines, Air France, Deutsche Lufthansa AG, American Airlines, Continental Airlines and Northwest Airlines.

The merger agreement was aimed at helping British Caledonian, which reported a £19.3 million pre-tax loss in the year ended last Oct. 31. It was also meant to create what the two airlines called a "mega-carrier" capable of taking on the big U.S. airlines.

British Airways sold to private investors by Prime Minister Margaret Thatcher's Conservative government for £900 million earlier this year, said Wednesday that it earned £90 million before taxes in the first quarter of its 1987-88 financial year. The profit was almost triple the amount for the April-June period last year.

Lord King, chairman of BA, said Thursday that the airline intended "to make an offer for the entire share capital of British Caledonian group after the MMC's report."

A resolution to that effect would be put to a special shareholders' meeting next week, he added. Shares of British Airways were quoted at 142 pence on the London Stock Exchange after the announcement, 2 pence higher than Wednesday's close.

Lord Young decided to refer the merger to the Monopolies and Mergers Commission after studying a report from Sir Gordon Bore, head of the government's Office of Fair Trading. Political sources said that Sir Gordon had recommended a referral.

Critics of the proposed merger argued that it would make a mockery of the government's stated policy of encouraging competition in the aviation industry if it were allowed to proceed unchallenged.

Smaller airlines said the creation of a big carrier would force them to operate further away from London, and stifle competition. British Airways is based at London's Heathrow Airport and British Caledonian at Gatwick, south of the city.

Political sources said that by referring the merger to the commission, Lord Young had taken the risk of putting a question mark over British Caledonian's future and thwarting the ambitions of British Airways, one of the current darlings of British industry.

France Caught in a Tiff Over Held Charter Flight

By Barry James International Herald Tribune

PARIS — A French government action that caused 189 charter passengers, many of them children, to be delayed at Brussels airport for nearly 30 hours this week triggered protests Thursday and threats of an antitrust suit.

The passengers were denied access to their flight to Guadeloupe and Martinique because France, citing a previously unknown regulation, said it would not grant landing rights to any charter of non-French origin carrying more than 20 percent French passengers.

More than three-quarters of the passengers aboard the flight were French.

During the long wait for takeoff at Brussels' Zaventem airport, tempers frequently flared. One man, arrested for hitting a policeman, was released by a judge just in time to catch the flight.

"What the French have done is ridiculous and illegal," said Robert Tabak, the director of Yes Travel in Belgium. "It is even racist against their own citizens."

Lawyers for International Air Services, a Belgian tour company that operated the flight, said it would bring antitrust action against France if the government continued to refuse landing rights in the French West Indies to IAS flights out of Brussels.

Jacques Boedels, a lawyer for IAS, said he would meet Friday with officials of the General Directorate of Civil Aviation in Paris to seek landing rights for an IAS aircraft to fly from Brussels to the French West Indies next Tuesday. That weekly flight is one of four more scheduled by the Belgian company.

If this permission is not granted, Mr. Boedels said, he will lodge a formal antitrust complaint with the European Commission in Brussels, the executive body of the 12-nation European Community.

He said the action taken by the French authorities was "unprecedented" and was based on a cartel arrangement among charter companies that has no basis in law.

An EC spokesman said Thursday that the issue "raises interesting problems," both about competition between airlines and the supposed right of European citizens to buy the services they wish in any EC country.

The passengers on the affected flight were allowed to depart Wednesday on an "exceptional" basis, the Ministry of Transport in Paris said. But it said such authorization will not be granted for future IAS flights.

R.P. (Paul) Holubowicz, secretary general of the Association of European Community Airlines,



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Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect the trades elsewhere.

Table with columns: 12 Month High Low Stock Div. Yld. PE 80 High Low Close Open Chg.

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NSE High-Lows

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Company Results

Table with columns: Company Name, Revenue, Profit, Per Share.

Bank of Japan Worried Over Risk of Inflation

TOKYO — The Bank of Japan is increasingly worried that Japan's inflation rate may begin to rise and stands ready to take pre-emptive action if needed in the coming months, central bank officials said Thursday.

Paris Commodities

Table with columns: Commodity Name, Price, Change.

London Commodities

Table with columns: Commodity Name, Price, Change.

Spot Commodities

Table with columns: Commodity Name, Price, Change.

Dividends

Table with columns: Company Name, Dividend Amount, Date.

London Metals

Table with columns: Metal Name, Price, Change.

To Our Readers

U.S. Treasury data was not available in this edition because of transmission delays.

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U.S. Light

WASHINGTON — The World Bank has placed its loans to Peru on a nonperforming basis because of delayed payments by the country, a World Bank official said Thursday.

SKF's Pretax Earnings Rose 15.5% in First Half

By Juris Kaza
Special to the Herald Tribune

STOCKHOLM — SKF AB, the Swedish maker of tools and ball bearings, said Thursday that its first-half pretax earnings rose a better-than-expected 15.5 percent from a year earlier, to 821 million kronor, or about \$125.4 million.

Adjusted for the divestment of SKF's steel operations last year, sales were up 9 percent, to 9.9 billion kronor, from 9.1 billion kronor in the first half of 1986, SKF said.

In the second quarter alone, earnings totaled 441 million kronor, up from 380 million kronor in the first quarter and 361 million kronor in the second quarter of 1986, it said.

Despite the higher earnings and sales, SKF forecast in its interim report that earnings for all of 1987 would be unchanged from 1986, "with a somewhat lower sales level."

Some analysts said they were concerned by SKF's pessimistic signal.

"Our own forecast was for 780 million or 790 million kronor," so the first-half figure "is quite good," said Nigel Yandell, an analyst with Enskilda Securities, the London affiliate of Skandinaviska Enskilda Banken. "But if they are looking for declining sales in terms of Swedish kronor, that's not particularly encouraging."

With continental currencies strengthening against the Swedish krona, "you would have thought they would improve their position in Germany," Mr. Yandell remarked. He pointed out that the only clear improvement the company reported in that market was in sales to the West German auto industry.

"There are quite a lot of hints that there will be a weak second half," he said. "Our forecast was for an increase to 1.6 billion kronor pretax, but now that may be a little high."

Procordia Shares Stir Strong Interest

STOCKHOLM — Procordia AB's public offering, the largest in the history of the Stockholm bourse, is expected to be heavily oversubscribed when the application period begins on Friday.

Dealers said Thursday that the 7 million share issue, which is valued at 1 billion kronor (\$153 million), had attracted considerable interest despite strong criticism of the terms of the offer. Four institutional investors and Procordia employees have been allotted a total 40 percent of the shares.

Many analysts say that the shares, priced at 150 kronor apiece, are a bargain, but the general public will only be able to subscribe to 1.7 million shares.

British Companies Rapidly Widen Their U.S. Beachhead

By Warren Geiler
International Herald Tribune

LONDON — If Paul Revere were alive these days, he'd be hard pressed to cope with the latest British assault on America: In the last five days alone, U.K. raiders have launched takeover bids totaling \$3.7 billion for U.S. companies, nearly as much as the \$3 billion spent for all of 1985.

The bids include a \$1.24 billion bid by Blue Arrow PLC for Manpower Inc., the world's largest part-time help agency; a \$1.6 billion bid by Hanson Trust PLC for Kidde Inc., maker of Jacuzzi whirlpool baths; and an \$820 million offer for First Jersey National Corp., New Jersey's fourth-largest bank, by the U.S. arm of National Westminster Bank PLC.

Indeed, so far this year, British companies have offered more than \$18 billion for U.S. companies, compared with \$13 billion for all of last year, according to Bob Cowell, head of U.K. equity research at the London brokerage Hoare Govett Ltd.

Most of this year's bids have proved successful or are still outstanding, with the notable exception of Robert Maxwell's aborted \$2 billion hostile offer for Harcourt Brace Jovanovich Inc.

To be sure, British companies have been pounding the U.S. acquisition trail for decades. British firms, in part due to language, legal and accounting similarities, have long topped the list of overseas investors in the United States, holding \$51.4 billion in direct investments at the end of 1986 against \$23.4 billion for the Japanese.

But British companies have had to run a gauntlet of takeover defenses, often in the form of U.S. litigation from shareholders and directors. Moreover, not all U.K.-launched takeovers have been a resounding financial success. The most recent case in point was Midland Bank PLC's divestiture last year of its California-based subsidiary, Crocker National Corp., the struggling retail bank it had acquired in 1981.

Still, over the past two years the pace of acquisitive British firms has become furious and the prey ever larger.

The biggest transatlantic purchase came earlier this year, with British Petroleum

PLC's \$7.6 billion acquisition of the stake in the Standard Oil Co. subsidiary that it did not already own. Before that, Unilever PLC's \$3.1 billion acquisition of Chesebrough-Pond's Inc. late last year had been the biggest.

Many British manufacturers, forced to streamline operations to survive a severe shakeout in 1980-81, have come to enjoy a steady stream of profits and have amassed large cash hoards.

That cash flow, bolstered by large credit facilities extended by London's mushrooming financial sector, is being funneled into the United States, where markets are bigger and more easily penetrated.

U.S. investment banks, which have upgraded their presence in London following last year's market deregulation, are increasingly influential in determining where such cash flow will be funneled in the United States.

As a recent editorial in The Independent, the British daily, suggested: "The message reiterated by the top management at companies like ICI PLC, GEC PLC, and Hanson Trust PLC is that the United States remains the largest, most fluid and most accessible of world markets. The relative paucity of intra-European deals underlines how far we have to go before we create a genuine European market."

A second major factor behind the new British wave has been the U.S. dollar's sharp depreciation in 1985-86.

Now that the pound appears a bit shaky against the dollar, companies may seek to snatch up U.S. assets while they remain cheap. As the dollar strengthens, the larger will be the profit contribution from the U.S. subsidiary when those earnings are repatriated into pounds, the thinking goes.

A third pro to the British buying spree in the United States has been London's long-running bull market. A steady surge in share prices on the London Stock Exchange over the past three years has enabled numerous companies, including small to mid-size firms, to raise large amounts of fresh capital as fodder for a takeover bid — often for U.S. companies triple their size.



Lord Hanson, the chairman of Hanson Trust PLC, offers \$1.6 billion offer for Kidde Inc. is one of the latest brace of British takeover bids for American companies.

GM Reverses Policy, Renews Incentives to Cut Inventories

By John Holusha
New York Times Service

DETROIT — General Motors Corp., which had vowed to resist any more major sales-incentive campaigns, has announced its biggest incentives yet to cut inventories, with interest rates on car loans as low as 1.9 percent and rebates of up to \$1,000.

GM said Wednesday that it was offering the incentives, which apply to most models through Sept. 30, to move nearly 1 million 1987 cars off dealers' lots and to prepare for 1988 models.

The move virtually ensures that GM will report an operating loss in the third quarter, analyst said, and may leave the company vulnerable to a strike by the United Auto Workers union from Sept. 14, when the current contract expires.

"They have a 78-day supply of cars now," said Jack V. Kirman, an analyst with Kidder, Peabody & Co., "and the incentives could take them down to about 36 days by the middle of September. They could be awfully short of cars if there is a strike." Industry officials consider a 60-day supply of cars the most desirable.

GM's stock closed down 87.5 cents at \$87.875 in Thursday trading on the New York Stock Exchange.

Chrysler Corp., offering loan rates as low as 3.7 percent or cash rebates, said it would study GM's plan. Ford Motor Co., with 3.9 percent rates, declined to comment.

This is the third consecutive year that GM has mounted a big campaign to reduce inventories.

However, when last year's campaign, with 2.9 percent car loans, helped produce a third-quarter operating loss of \$338 million, GM said it would forgo the costly inducements.

Under pressure from its shareholders, the company pledged to stop seeking a specific market share and to bolster earnings.

Alcatel Plans Selloff, ITT Chief Says

NEW YORK — ITT Corp.'s chairman and chief executive, Rand V. Araskog, said Thursday that Alcatel NV, its joint venture with Compagnie Generale d'Electricite of France, was planning a series of divestitures and acquisitions over the coming months.

Mr. Araskog, declined to be specific about the plans, saying only that the acquisitions would not be major. ITT owns 37 percent of the venture.

ITT and CGE established the venture, the world's second-largest telecommunications company behind American Telephone & Telegraph, at the end of last year. CGE holds 55.6 percent of Alcatel, with the remaining share split among a number of companies.

Alcatel's revenue is expected to be about \$12 billion a year.

Mr. Araskog said told securities

analysts that ITT was finished for the time being with its own restructuring. The reshaping had taken place through the sale or purchase of assets.

"We've sold about what we wanted and our cash flow is about where we want it," Mr. Araskog said after the meeting.

Mr. Araskog said that acquisitions would not be major. ITT owns 37 percent of the venture.

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Unilever to Buy Plant, Seed Labs

ROTTERDAM — Unilever Group, The British-Dutch foods and detergent group, said Thursday that it has agreed to buy a plant breeding institute and a seed development laboratory from Britain's Ministry for Education and Science for £66 million (\$104 million).

The research centers had a joint operating profit last year of £4.5 million on £11.3 million income, Unilever said.

Unilever said the acquisition of the Plant Breeding Institute and the National Seed Development Organization will aid the company's plans to expand its agricultural sector, which includes plantations, seed breeding, tissue culture, animal feed firms and fish farms.

Unisys President Resigns

BLUE BELL, Pennsylvania — Unisys Corp. said Thursday that its board had accepted the resignation of Paul G. Stern as president and a director effective Dec. 31. It did not say why he had resigned, and no successor was named.

The computer company's directors also approved the realignment of duties of some senior executives and the formation of a management board reporting to the chairman, W. Michael Blumenthal.

Analysis said the moves marked the final step in Mr. Blumenthal's assertion of control over the company created last year through the merger of Burroughs Corp. and Sperry Corp. Mr. Blumenthal, a former U.S. Treasury secretary, was chairman at Burroughs.

Barry Tarasoff, an analyst at Wertheim & Co., said of Thursday's move, "This was a consolidation by Blumenthal."

Stephen Dube of Shearson Lehman Brothers said: "It is obvious that there is no one who is to be viewed as the senior executive of the company other than Mike Blumenthal. Prior to the merger, it was Stern who had been regarded as the possible successor."

Analysis said it appeared that Mr. Stern, who is 48 years old, was forced out by Mr. Blumenthal, 61, who had brought Mr. Stern to Burroughs in 1981 to head its manufacturing engineering operations.

Analysis said that while Mr. Blumenthal had assumed full control over Unisys's post-merger direction, certain members of the management board emerged with increased authority.

One is James Unruh, the executive vice president, who was given responsibility for Unisys's finances and international operations. He had been in charge of corporate staff and planning.

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Debt Plan's End Exposes Dome To Creditors

TORONTO — Dome Petroleum Ltd. said that an interim repayment plan for its 6.2 billion Canadian dollar (\$4.7 billion) debt has been terminated because its lenders could not agree on an extension.

The company, whose acquisition by Amoco Corp. for \$3.8 billion is awaiting creditors' approval, said it would continue making payments to creditors as if the plan were still in effect.

But, a Dome spokesman said Wednesday, "We're in a slightly more precarious position. ... Any lender can now take individual action against the company to claim their loans."

In May 1986, Dome's 56 creditors agreed to accept reduced payments on debts until a comprehensive debt restructuring could be developed. The creditors signed waivers promising not to call their loans.

The interim plan expired June 30: Dome was seeking an extension to Aug. 31. With the plan's collapse, Dome loses the protection of the waivers.

Price Tag on Arden 'Extraordinarily' High

NEW YORK — The \$700 million that Rapid-American Corp. has agreed to pay for Elizabeth Arden Inc. is high, analysts say, but Rapid-American contends it can raise Arden's profit enough to justify the price.

Rapid-American, controlled by Meshulam Riklis, operates 1,226 McCrory's variety stores with annual sales of \$1.7 billion, and Fabergé Inc., a beauty products and apparel maker.

Arden, a unit of Eli Lilly & Co., is being acquired through Fabergé. The price — which is 1.7 times Arden's estimated 1987 sales — is \$100 million more than many financial analysts believed Arden would command.

"The price for Arden is an extraordinary number," Allan Motus, a cosmetic industry consultant, said of the transaction announced Wednesday.

Nancy Hall, a cosmetics analyst with Smith Barney, Harris Upham & Co., said, "Cosmetic companies continue to fetch premium prices, because buying recognized brand names and franchises worldwide is far safer than launching a cosmetic brand from scratch."

Last November, Squibb Corp.

sold its Charles of the Ritz Group Ltd. cosmetic and fragrance unit for about \$630 million, or about 1.3 times its estimated annual sales, to Yves Saint Laurent SA.

Dan Manella, chairman of Fabergé, said, "We thought it was an opportune time to get into the cosmetics business."

Arden, whose makeup, fragrance, and skin care products are sold in department stores and drug stores, was bought by Lilly in 1971 for \$37 million.

Its operating profit in 1986 was \$32.6 million, down 22 percent from 1985, on sales of \$397.9 million.

But Mr. Manella said, "We evaluated the price we paid for Arden on the basis of what we felt it was worth to us, not on its operating profits today."

He said Arden will prosper just as Fabergé has since it was bought by Rapid-American's McGreggor apparel unit in 1984 for \$176 million.

At the time, industry analysts believed Rapid-American couldn't turn around the marginally profitable Fabergé, which makes such brands as Aquean hair spray and Brute fragrances for men.

Mr. Manella said that since 1984, Fabergé's sales have increased 33 percent and profit has doubled.

In the year ended Jan. 31, Fabergé Inc., which now includes McGreggor, had operating earnings of \$69.2 million on \$550 million in sales, Mr. Manella said. Excluding McGreggor, Fabergé's operating earnings were \$35.5 million on sales of \$307 million.

Maxwell Says Merger With Elsevier Is Possible

AMSTERDAM — Robert Maxwell, the British publisher, said Thursday that he wants to discuss cooperation, or even a merger, with Elsevier NV, the Dutch publisher of which he owns 8.5 percent.

Mr. Maxwell disclosed the size of the stake on Thursday. It is valued at 83.7 million guilders (\$39.57 million), and represents 4.456 million shares in Elsevier, which last week lost a bidding war with Wolters Samsom Groep NV for a third Dutch publisher, Kluwer NV. Mr. Maxwell, who last week requested a meeting with Elsevier, said he would soon meet its chairman, Pierre Vincken.

U.S. Lawmakers Seeking Tighter Canadian Trade

Compiled by Our Staff From Dispatches

WASHINGTON — Congressmen from 18 states said Thursday that the United States, in negotiating a free-trade agreement with Canada, should seek to stiffen the 1965 accord governing automotive trade.

Trade in autos and auto parts, including trucks and buses, constitutes about one-third of total U.S.-Canada trade, or about \$45 billion last year.

The House members also called for an end to Canada's duty remissions program. Canada remits import duties on car parts assembled in Canada to encourage exports of automotive products.

In addition, the congressmen proposed elimination of Canadian tariffs on telecommunications equipment, and a standardized rule of origin for duty-free trade between the two nations.

Negotiators have been working for 15 months on an accord to liberalize trade between the United States and Canada. America's largest trading partner. Bilateral trade totaled \$126 billion last year.

Representative Howard E. Wolpe, Democrat of Michigan, said that "an effective rule of origin would ensure that Canada does not become a Trojan horse for third-country products coming into the United States."

The third-country issue is important in automotive trade, because of Japanese and South Korean cars assembled in Canada and exported to the United States.

The 22-year-old auto trade agreement, negotiated in the era of U.S. dominance of the car industry, allowed duty-free passage of some autos between the United States and Canada.

The United States allowed duty-free import of vehicles half of whose content was North American. Canada, by linking duty-free treatment to Canadian production, created a barrier not only to East Asian imports but also to some U.S. products, the study said.

On Wednesday, senior members of the Senate Finance Committee served notice that the panel would turn down a free-trade agreement confined to reductions in U.S. and Canadian tariffs. The senators made their views known after a briefing by Reagan administration officials on the trade talks.

Democratic and Republican senators on the committee insisted that a treaty also include reduction of Canadian federal and provincial non-tariff barriers; liberalized rules on foreign investment and trade in services; protection of intellectual property and no abrogation of U.S. authority to enforce its anti-dumping and subsidy laws. (AP, NYT)

FIDELITY DISCOVERY FUND
Société d'Investissement à Capital Variable
13, Boulevard de la Foire, Luxembourg
R.C. Luxembourg B 22250

Notice of Annual General Meeting
Notice is hereby given that the Annual General Meeting of the Shareholders of FIDELITY DISCOVERY FUND, a société d'investissement à capital variable organized under the laws of the Grand Duché de Luxembourg (the "Fund"), will be held at the principal and registered office of the Fund, 13, boulevard de la Foire, Luxembourg, at 11:00 a.m. on August 27, 1987, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Statutory Auditor.
3. Approval of the balance sheet at April 30, 1987, and income statement for the fiscal year ended April 30, 1987.
4. Discharge of Board of Directors and the Statutory Auditor.
5. Ratification of the co-option of Compagnie Fiduciaire as a Director of the Fund.
6. Election of seven (7) Directors, specifically the re-election of all present Directors, Messrs. Edward C. Johnson Sr., William L. Byrnes, Charles A. Fraser, Hisashi Kurokawa, John M.S. Patton, H.F. van den Hoven and Compagnie Fiduciaire.
7. Election of the Statutory Auditor, specifically, the election of Coopers & Lybrand.
8. Declaration of a cash dividend to the Shareholders, and authorization of the Board of Directors to declare further dividends in respect of fiscal year 1987 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law.
9. Consideration of such other business as may properly come before the meeting.

Approval of the above items of the Agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting, with no minimum number of shares required to be present or represented at the Meeting in order to establish a quorum. Subject to the limitations imposed by law and the Articles of Incorporation of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: July 27, 1987

BY ORDER OF THE BOARD OF DIRECTORS

There's never been a guide to Asia like this one!

A UNIQUE AND INVALUABLE NEW IHT GUIDE FOR THE BUSINESS TRAVELER IN ASIA.

Even the most experienced business travelers to Asia will want to take this remarkable guide with them when they go back to the region. By veteran IHT editor Bob McCabe — who has incorporated suggestions from IHT travelers as well as contributions from selected prominent Western journalists all of whom are residents and speak the language of the country they write about. These are people who have spent years learning the ins and outs, the do's and don'ts, and who are willing to share their knowledge with us.

You couldn't have better sources. Each section of the book includes information on a city, its history, culture, language, transportation, tipping and communications. Hotels are listed with emphasis on business facilities. Restaurants are given with helpful tips about ordering Asian foods.

And much more: how to make business contacts with local people, services government ministries provide to business visitors; advice on business entertaining. Also covered are such subjects as medical aid, telephoning, sports events and local shopping.

If you are planning a business trip to Asia or know someone who is, get this latest guide from the International Herald Tribune, the newspaper that has been printing daily by satellite in Asia since 1979.

In the newest IHT guide, you'll learn about Asia:

- Cultural differences between countries
- Business manners
- The secret haunts of long-time Asia residents
- Asian drinks to try — and those to beware of
- What to do on weekends
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- Unique coverage of 16 cities, including four in the People's Republic of China! (185 pages, paperback).

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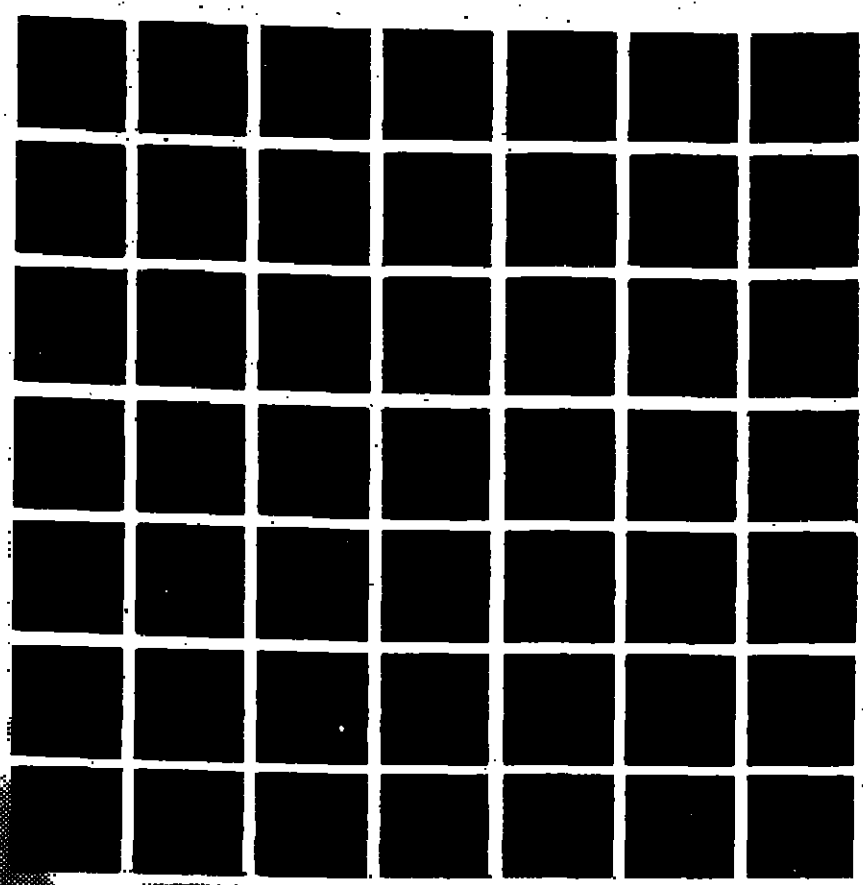
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Ideas bring growth to finance.

The birth of Ferruzzi Agricola Finanziaria.

In October 1985 Gruppo Ferruzzi set out its plans to create one of the biggest agro-industrial groups in the world, to extend its activities into new sectors and to expand into new continents. In less than two years Gruppo Ferruzzi has become the largest agro-industrial group in Europe and the third largest in the world. Furthermore it is the second private-sector industrial conglomerate in Italy with an aggregate turnover of over 18 billion dollars. The Group's idea to use agricultural products for industrial and energy uses, and its related programme for environmental protection is a focal point of international debate. The driving force behind this extraordinary expansion has been Agricola Finanziaria, the Group's holding company. Its success on the financial market has allowed it to make large-scale investments such as the acquisition of CPC Europe, leader in the starch sector, the acquisition of a controlling interest in Montedison and Béghin-Say, and the restructuring of the sugar sector which makes the Group Europe's leading sugar producer. The market capitalization of the Agricola Finanziaria group amounts to about 20 billion dollars.

And now it is time for it to grow even more. Agricola Finanziaria is increasingly identified with Gruppo Ferruzzi and so Ferruzzi Agricola Finanziaria has been born.

All the activities of the Group will converge in the new holding company so that in due course Ferruzzi Agricola Finanziaria and Gruppo Ferruzzi will form a single entity. Its theatre of operations is increasingly worldwide.

Ferruzzi Agricola Finanziaria will span five continents.

Its widely diversified activities follow a single vertical structure from agriculture to services, from trading to agro-industry, from chemicals to the advanced services sector and finally to numerous industrial and financial shareholdings. Ferruzzi Agricola Finanziaria will be quoted on all the main European Stock Exchanges including London and Paris. This will lead to a broad national and international shareholder base in line with the Group's importance. The cycle is in constant movement: two years ago ideas brought growth to finance. Today

Finance is bringing growth to ideas.



**Ferruzzi
Agricola Finanziaria**

CURRENCY MARKETS

Fed, Bundesbank Slow Dollar's Rise

NEW YORK — Concerted intervention by the central banks of the United States and West Germany pushed the dollar off its high Thursday in New York and Europe, dealers said, but the U.S. currency nonetheless closed above Wednesday's levels against most currencies.

Table with 2 columns: Currency, Rate. Includes Deutsche mark, Swiss franc, Japanese yen, British pound, French franc.

Although the dollar eased to 1.5445 Swiss francs in New York from 1.5590 on Wednesday, it rose to 151.50 yen from 150.85 and to 6.2795 French francs from 6.2616.

Sprinkel Smiles On Fed Policy

WASHINGTON — Beryl W. Sprinkel, chairman of the President's Council of Economic Advisors, said Thursday that he was satisfied with the Federal Reserve Board's conduct of monetary policy.

BUSINESS PEOPLE

Ward to Head Midland's U.S. Unit

John W. Ward, former chairman of the international banking group at Merrill Lynch & Co., has been named president and chief executive of Midland America Corp., the U.S. unit of Midland Bank Group PLC, Britain's third-largest bank.

Sales Chief Quits Nissan U.S.A.

CARSON, California — Nissan Motor Corp. U.S.A.'s senior vice president for marketing and sales has resigned, just two weeks after the automaker unveiled plans for a new luxury car division.

RATE: Interest Rise by Bank of England Stuns Markets

(Continued from first finance page) supply growth, the government will likely be forced to raise interest rates sometime soon after the poll. The growth in money supply translated largely into increased demand for imports.

HOTEL: There'll Be Rooms to Rent Beyond the Beach

(Continued from first finance page) Consafe's original design, albeit with many alterations. Mr. Leubecker said he sees many ways the plans could have been improved — for example, larger windows and decks in guest rooms and better use of the top deck.

M-1 Rose \$1 Billion in Week

NEW YORK — M-1, the basic measure of U.S. money supply, rose \$1 billion to a seasonally adjusted \$749.1 billion in the week ended July 27, the Federal Reserve said Thursday.

Thursday's OTC Prices

Large table listing OTC prices for various stocks, including columns for stock name, price, and change.

12 Month High Low Stock Div. Yld. %

Table listing 12-month high/low prices and dividends for various stocks, including columns for stock name, price, and change.

12 Month High Low Stock Div. Yld. %

Table listing 12-month high/low prices and dividends for various stocks, including columns for stock name, price, and change.

12 Month High Low Stock Div. Yld. %

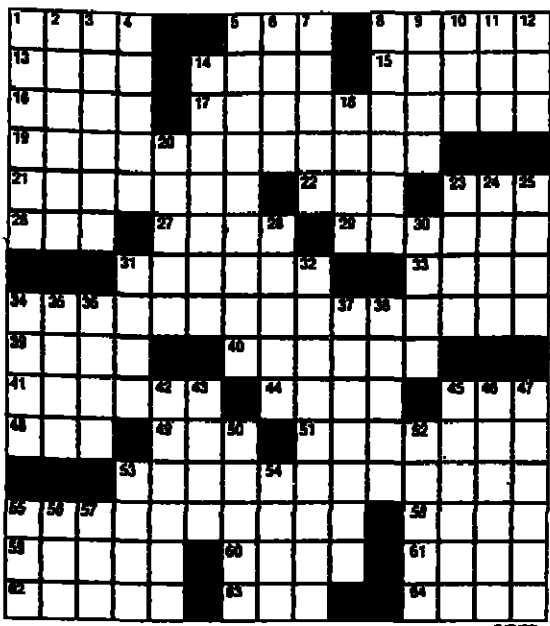
Table listing 12-month high/low prices and dividends for various stocks, including columns for stock name, price, and change.

12 Month High Low Stock Div. Yld. %

Table listing 12-month high/low prices and dividends for various stocks, including columns for stock name, price, and change.

Thursday's AMEX Closing

Table listing AMEX closing prices for various stocks, including columns for stock name, price, and change.



ACROSS

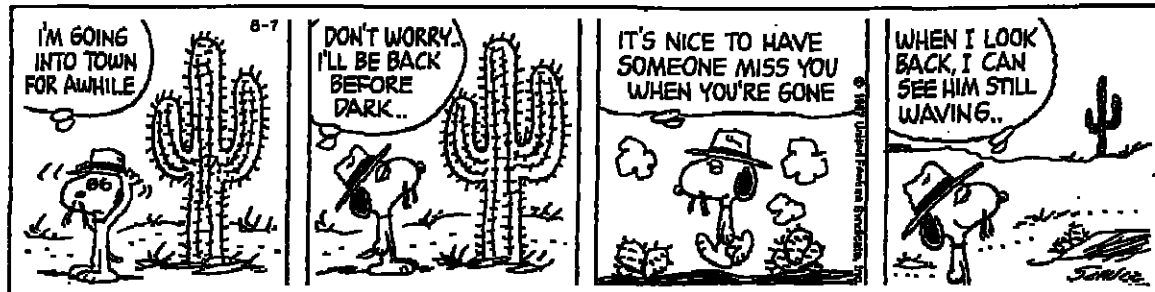
1 Forbids
5 Kabbilee of comics
8 Cyrus Field interest
13 What there ought to be
14 Padua neighbor
15 Shade of green
16 A brother of Simon
17 Makes fragrant
19 FIG
21 Olympic competitor
22 Word on a society page
23 Dem. before J.F.K.
26 Member of a Punjabi caste
27 Out and Ferrer
28 Sex counselor
31 Rite time?
33 Author and film critic James
34 OW
39 Rumanian dance
40 Actress
41 Funtling surface
44 Cobbler's model
45 Possesses

DOWN

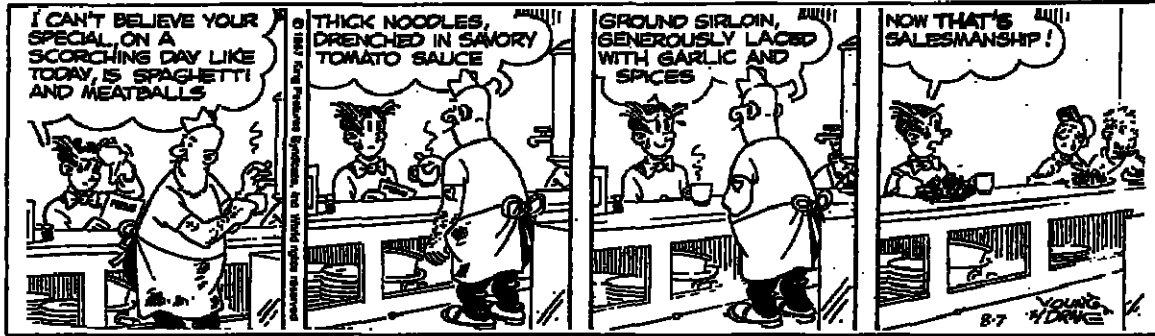
1 Actor Martin from N.Y.C.
2 Building wing
3 Hogan dweller
4 Eddy
5 A descendant of Jacob
6 Arabian measure
7 Confine
8 She wrote "My Antonia"
9 Dismounted
10 Dickens's pen name
11 Actor — J. Cobb
12 Pluralizer
13 E.S.T. word
14 On in years
18 Home of A.S.U.
19 "Les Misérables" author
21 "And There Were None"
24 Mulligan, e.g.
25 "And There Were None"
28 Fishing leader
29 Backward star?
31 Singing style
32 Hamlet?
34 Coward's "Happy Breed"
35 Sharpener
36 Old tongue
37 Domestic
38 — the land (best obtainable)
42 Command to a gym group
43 Hammer part
45 Brevity, e.g.
46 Pride of Philip II
47 Trample
48 Nile feature
49 Extreme
53 Nass, e.g.
54 Night light
56 Harlem room
57 Carlos or Fernando

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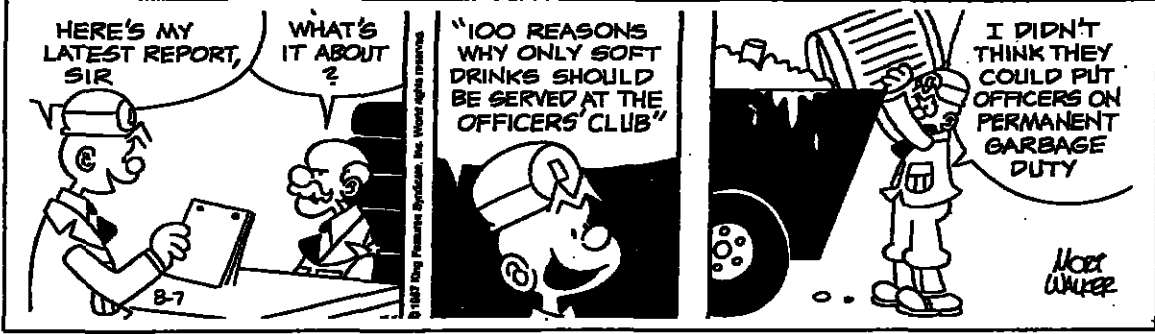
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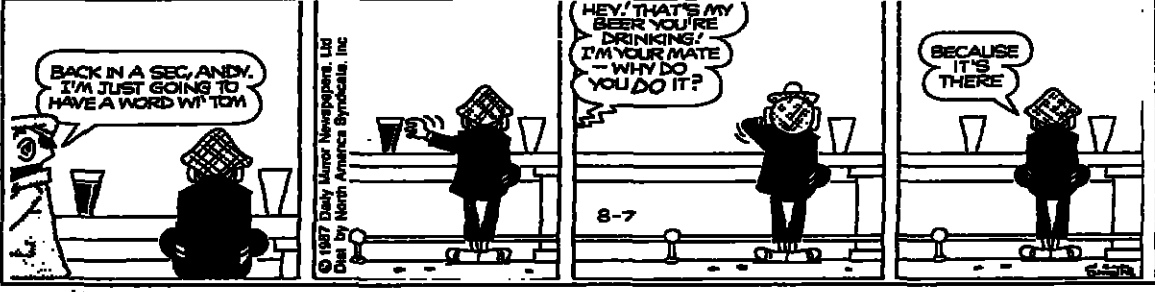
BLONDIE



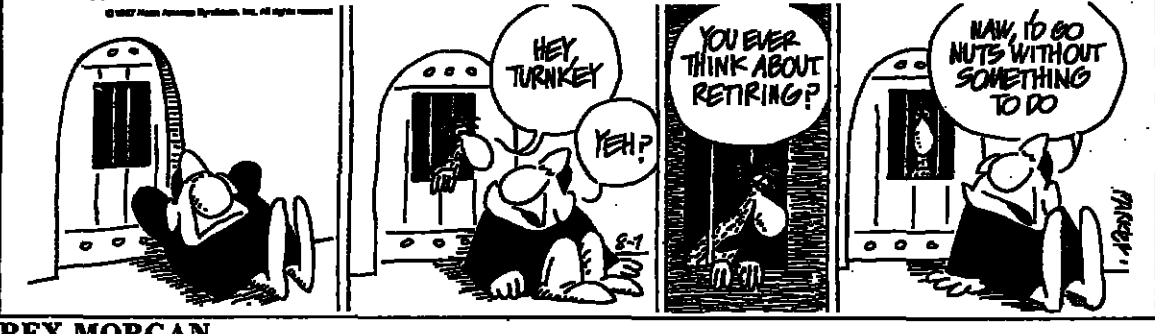
BEETLE BAILEY



ANDY CAPP



WIZARD of ID



DENNIS THE MENACE



"If I'd have known you were gonna do that to it, I woulda thrown it back!"

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

OUSIP
There he goes again, the blabbermouth!

THYFE
There he goes again, the blabbermouth!

GOSTEO
WHAT THAT WHALE WAS ALWAYS DOING.

SNUFUG
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: "CLOAK BUILT ADROIT DEAFEN" (Answers tomorrow)

Yesterday's Jumble: CLOAK BUILT ADROIT DEAFEN
Answer: They predicted he would come out on top, and this is what he soon became—GALD

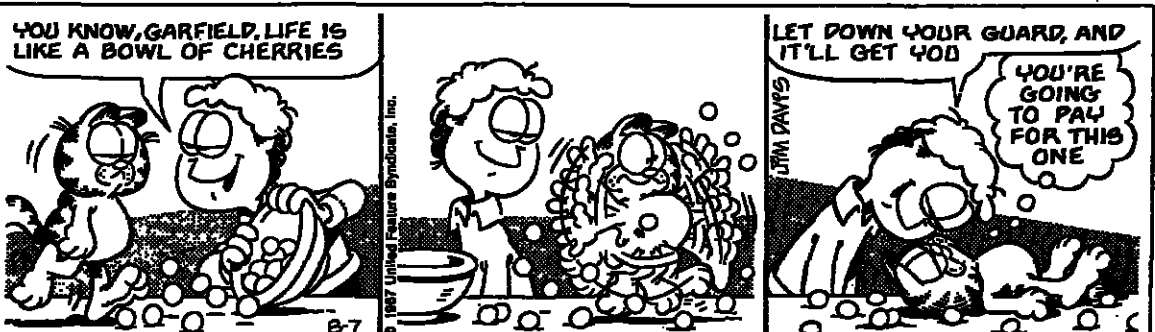
WEATHER

EUROPE		ASIA	
HIGH	LOW	HIGH	LOW
Aberdeen	57 45	Beijing	26 16
Amsterdam	57 45	Bombay	30 20
Athens	57 45	Calcutta	30 20
Berlin	57 45	Hankow	26 16
Birmingham	57 45	Harbin	26 16
Boston	57 45	London	26 16
Buenos Aires	57 45	Manila	26 16
Cardiff	57 45	Medan	26 16
Chicago	57 45	New Delhi	26 16
Copenhagen	57 45	Shanghai	26 16
Dallas	57 45	Singapore	26 16
Detroit	57 45	Taipei	26 16
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Tokyo	57 45		

REX MORGAN



GARFIELD



BOOK BRIEFS

NEW YORK INTELLECT: A History of Intellectual Life in New York, From 1750 to the Beginning of Our Own Time. By Thomas Bender. Alfred A. Knopf, 201 East 50th Street, New York, N.Y. 10022.

Maybe it is true, as Thomas Bender suggests, that there is a bit of New York in all of us, though some will nod their assent sadly. The city goes with the 20th century in a way that few other places do. The influence, for good or ill, of its media concentrations, its art and architecture, its music and theater, its schools, ship, its branding museums and busy galleries, but most importantly its sprawling literary coteries — all have combined to make it the unofficial capital of American culture and headquarters of revolutions aplenty.

For believers, New York is not merely urban — it is metropolitan, the mold maker, the special home of a temperament at once sophisticated, democratic and liberal in the old-fashioned, generous sense. Thomas Bender, chairman of the Department of History at New York University, is a believer, though not an uncritical one. Reasoning that "we cannot understand ourselves as intellectuals, as Americans, until we grasp the special character of New York — its limitations and possibilities as a place of intellect," he sets out to recover the traditions of the life of the mind that have taken root in the city and to organize our perceptions of them. The result is an important book, not simply as a history of Manhattan worthies and their combats, but as a new kind of urban history, more edifying than the usual accounts of business and politics, money and migrations, that would search out the local mainstays of cultural life.

(Michael J. Lacey, WP)

THE ELIZABETH STORIES. By Isabel Huggan. Viking Inc., 40 West 23d Street, New York, N.Y. 10010.

If, as Flannery O'Connor once wrote, the best short stories resist paraphrase, then Isabel Huggan's "The Elizabeth Stories" clearly qualify. All eight of these vibrant, provocative stories undulate with ambiguity. Spraying beyond their margins, they elude any explanation. Expect to be haunted by these stories not for what they solve but for what they confound.

"Sorrow of the Flesh" is a modern masterpiece, as fine a story of sexual awakening and

delusion as I've ever read. But almost every story in the collection is as shapely and compelling. These are stories about human desire and fulfillment, the exorcising importance of childhood, the glib tyranny of parents that embitters the hours of children. Set in the late '40s and early '50s, the stories portray the formative years of Elizabeth Kessler, a small-town Pennsylvania girl; the only child of unyielding parents who noisily regard her with distrust and disfavor.

Enduring the ambiguities of youth is one of the greatest achievements of growing up. In these stories Elizabeth evolves from a plunderer, self-conscious child, eager to plunder life's secrets, to a witty, resilient young woman, enlightened by her struggles. A survivor of despair, she seems almost to have outgrown it. If she still has more questions than answers, she remains undefeated by them.

(Marianne Gingham, WP)

LAST LETTERS: Prisoners and Prisoners of the French Revolution 1793-1794. By Olivier Blanc. Translated by Alan Sheridan. Michael C. Casson Books/Farrar, Straus & Giroux, 19 Union Square West, New York, N.Y. 10003.

Antoine-Quentin Fouquier-Tiville was public prosecutor of the Revolutionary Tribunal in Paris during the Terror, from March 1793 to July 1794. Some years ago, while going through the Fouquier-Tiville files in the French national archives, the historian Olivier Blanc came across a large number of letters and farewell notes from prisoners sentenced to death by the Tribunal. They had been intercepted, and prevented from reaching the families and friends for whom they were intended.

Blanc's selection from this correspondence forms the basis of his remarkable book "Last Letters." Of the 150 letters he reprints, 113 have never before been published, of the remainder, a few — notably those written by Marie Antoinette and Madame Roland — are well known, but most of the others, though they found their way into print shortly after the Revolution, have subsequently been forgotten or ignored.

At the same time, "Last Letters" is much more than an anthology. The first half consists of a narrative (with many letters embedded in it) in which Blanc examines the background of the prisoners and the conditions under which they were detained and, in most cases, executed.

An abundance of passion shows through the rather formal phrasing employed by most of the correspondents, while their personalities and personal histories (carefully annotated by Blanc) are varied enough to insure against any danger of monotony. The famous chemist Lavoisier; a pioneering feminist, Olympe de Gouges; a Polish princess; a petty forger; the mayor of Strasbourg, who apologizes to his son because all he can leave him are a few pieces of music he has composed or arranged while in prison — these are some of the victims whose letters we can see being sealed. And bringing up the rear there is Fouquier-Tiville himself, who was removed from office after the fall of Robespierre and gallotted, protesting his probity, in 1795. The result is both moving and full of interest.

(John Gross, NTF)

Solution to Previous Puzzle

ERST	ROOMS	COMB
BOAR	ECLAT	APIE
BORA	PEDRO	RENT
FIVE	EASY	PIECES
ELAN	POE	
AVRIL	BIANNUAL	
EGEST	PANGLOSS	DEI
THREE	MUSKETEERS	DEI
ERIE	ELISOMMA	
ERIE	ERIC	STADE
OTIC	WAAC	
THE	FOUR	MILLION
HALF	RAIT	APOD
ALOE	IN	THE
ONE	CITED	ELMO

4/7/87

BRIDGE

By Alan Truscott

likely to play West for both national match points, which was exactly the margin by which the match was won. If any other card had been a tie, and a playoff would have kept the players in action far into the night.

The declarer was not inclined to put his fortunes to the test immediately. He put up the king, with various slight changes in mind. One was that an honor would fall from East with a guess to follow. Another possibility although not a likely one, was a squeeze in the black suits. And there was a faint chance of Q-J-10 tripleton in clubs, making it possible to develop the nine.

As none of these possibilities materialized, the grand slam failed. Stuppenbeck and his teammates gained 17 inter-

NORTH (D)

AK83
AK8
AK83

WEST

QJ5
J85
8742
8821

EAST

7
Q
10885
6Q1075

SOUTH

AK83
QJ10874
Q8
4

East and West were vulnerable.
The bidding:

North	East	South	West
2♣	Pass	2♦	Pass
3♦	Pass	3♥	Pass
4♥	Pass	4♠	Pass

West led the spade five.

World Stock Markets

World Stock Markets
via Agence France Presse Closing prices in local currencies, Aug. 6.

Market	Index	Change
Amsterdam	315.0	+0.5
London	2295.0	+10.0
Paris	1180.0	+5.0
Frankfurt	327.0	+1.0
Bombay	1250.0	+10.0
Calcutta	1250.0	+10.0
Harbin	1250.0	+10.0
Manila	1250.0	+10.0
Medan	1250.0	+10.0
New Delhi	1250.0	+10.0
Shanghai	1250.0	+10.0
Singapore	1250.0	+10.0
Taipei	1250.0	+10.0
Tokyo	1250.0	+10.0

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Shanghai	1250.0	+10.0
Singapore	1250.0	+10.0
Taipei	1250.0	+10.0
Tokyo	1250.0	+10.0



SPORTS

Another Comeback: Candelaria Leads Angels to Victory

ANAHEIM, California — John Candelaria, through an injury-filled, 13-year career, seems to have completed more comebacks than just about anyone in the big leagues.

BASEBALL ROUNDUP

Angels 6-1 victory over the Minnesota Twins. This comeback has nothing to do with torn biceps or bone fragments. It involves "personal problems" that stem from alcohol abuse after the death of his infant son in a swimming pool accident two years ago.

Reds 9, Red Sox 8: In Arlington, Texas, Ruben Sierra tied the score with a two-run homer and Bob Brewer delivered a bases-loaded single in the ninth, rallying Texas to victory over Boston.

Reds 6, Dodgers 3: In the National League, in Cincinnati, Dave Collins, Dave Concepcion and Barry Larkin keyed a four-run sixth with RBI singles, pacing the Reds' triumph over Los Angeles.

Pirates 10, Cubs 9: In Pittsburgh, Brian Fisher threw a six-hitter, and Mike Diaz, Junior Ortiz and Andy Van Slyke each drove in two runs as the Pirates trounced Chicago.

Expos 2, Cardinals 1: In Montreal, Andres Galarraga, who sent the game into extra innings with a ninth-inning single, hit a two-out homer in the bottom of the 13th, giving the Expos the victory over St. Louis.

Mets 13, Phillies 3: In New York, Gary Carter homered twice and Darryl Strawberry powered a three-run homer to lead the Mets to a 13-3 rout of Philadelphia.

Astros 6, Giants 5: In Houston, pinch-hitter Denny Walling singled home Gerald Young from third base with one out in the 11th, carrying the Astros past San Francisco for a three-game sweep.

Tigers 4, Royals 2: In Detroit, Pat Sheridan and Alan Trammell



Minnesota's Dan Gladden is forced at second in the Angels-Twins game, he but also forces California second baseman Mark McLemore to bobble the throw to first for a double play.

Hearn Drops Title to Seek Another

NEW YORK — Thomas Hearn has relinquished the World Boxing Council light heavyweight championship in order to fight Juan Roldan for the vacant WBC middleweight title, Hearn's manager-treasurer said Thursday.

Two old-timers give us what might be called the pure professional view of cheating in baseball. "I'd always have [grease] in at least two places, in case the umpires would ask me to wipe off one. I never wanted to be caught out there without anything. It wouldn't be professional," says Gaylord Perry, the 300-game winner in his book "Me and the Spitter."

Former manager George Bamberger once put the issue perfectly for all the Niekros and Scotts. "We do not play baseball," he said. "We play professional baseball. Amateurs play games. We are paid to win games."

"There are rules, and there are consequences if you break them. If you are a pro, then you often don't decide whether to cheat based on if it's right or wrong. You base it on whether or not you can get away with it, and what the penalty might be."

"A guy who cheats in a friendly game of cards is a cheater. A pro who throws a spitball to support his family is a competitor."

That is the old voice of 19th century baseball, full of rush and push, boom and drive, an age of energy and can-do certainty, not of conscience and ambivalence. It charmed us then and still seduces us today.

It is a familiar voice, telling us that, if we only see things properly, dead wrong can be rationalized as perfectly all right.

It's the voice of Joe Niekro. And Oliver North.

VANTAGE POINT/Thomas Boswell

Cheat, Yes, but Don't Get Caught

"Baseball is the very symbol, the outward and visible expression of the drive and push and rush and struggle of the raging, tearing, booming 19th century."

"Pitching in a Pinch," written by Christy Matheson. As Heywood Brown put it, writing in the New York World in 1923, "The tradition of professional baseball always has been agreeably free of chivalry. The rule is, 'Do anything you can get away with.'"

In many ways, that was the American rule of the 19th and early 20th centuries, a time of cartels and robber barons, Wall Street shoddiness, Elmer Gantry charlatanism and big stick foreign policy. Avarice and a will to power posed as philosophy.

What goes around comes around, they say. So perhaps it is only fitting that in a decade that has given us Ivan Bosky and Jim Bakker, we should also see a full-scale revival of cheating in baseball. Why shouldn't scuffed balls and corked bats be rampant in an age that glorifies insider trading? Under our public pieties, the subtext of the '80s often seems to be: "Do anything you can get away with."

Make the ump call you re-handled. And always maintain plausible deniability. On Wednesday, American League President Bobby Brown

suspended 42-year-old Joe Niekro for 10 days for defacing baseballs — the first such suspension in five years and only the fourth in history since spitballs and the like were outlawed back in the 1920s.

Niekro contended that the emery board and sandpaper that came out of his uniform when the umpire told him to empty his pockets were just there to trim his fingernails. A plausible denial, right? It's tough to find a manicurist between innings at 10 o'clock at night.

Everywhere you look these days it's scuff this and cork that, grease here and saliva there. The National League's 1986 Cy Young award winner, Mike Scott, is almost universally assumed, without argument, to be a creation of illegal scuffed pitches, plus a new forkball, Rick Rhoden and Tommy John are risks 1 and 1-A for the Yankees' presence in first place in the American League's East Division; if they don't abrade the horsehide, then maybe nobody cheats.

Ask pitching coaches and veteran hurlers to guess how many batters cheat, at least occasionally, and estimates range from one-third and one-half. The difference is that one-half behavior no longer seems to carry much stigma. As Cal Ripken Sr., the Orioles' manager, has noted, pitchers now cheat on any count, not just on a vital two-strike pitch with men on base.

Many fans feel considerable ambivalence about the sport's laissez-faire attitude toward the rule book. Something in almost all of us lives an outlaw's rascal, if only his daring and style are sufficiently maintained. That's not to say that most of our nature approves — just a part. A few generations ago, that passion for rascalions was not so well hidden. America was half-proud of its desperadoes and gangsters, even as it printed wanted posters and organized manhunt.

In our time, sports is one of the preserves within a civilized society where scuffed emotions can feel at home and not be run entirely off the turf. We love to hear the story of Earl Weaver visiting a struggling Ross Grimsley at the mound and saying to the much suspected left-hander, "If you know how to cheat, start now."

Two old-timers give us what might be called the pure professional view of cheating in baseball. "I'd always have [grease] in at least two places, in case the umpires would ask me to wipe off one. I never wanted to be caught out there without anything. It wouldn't be professional," says Gaylord Perry, the 300-game winner in his book "Me and the Spitter."

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SCOREBOARD

Table with columns for Baseball, American League, and National League, listing scores for various teams like Seattle, Oakland, and Boston.

Transition

Table with columns for Baseball, American League, and National League, listing scores for various teams like Philadelphia, New York, and Chicago.

Tennis

Table with columns for Pro Leaders and Wimbledon, listing names and earnings of tennis players.

Norman, Tway Pin Hopes for '87 on PGA

By Gordon S. White Jr. NEW YORK — Bob Tway and Greg Norman are having the common difficulty of sustaining the pace of a spectacular year of golf in the year after those days of glory.

Time is fast running out, so no one now really expects the production in 1987 that these pros had in 1986.

Tway, who in 1986 was the first four-time winner on the PGA Tour since 1980, blasted the Professional Golfers Association Championship right out of Norman's grasp when he holed his final shot from the bunker at 18 for his fourth triumph of the big year. Tway has not won in 1987.

Norman, who was in position to win all four major tournaments last year by leading each one after three rounds, did win the British Open and led the PGA Tour money list by earning just slightly more than Tway.

But Norman was crushed with another spectacular shot early this year when Larry Mize chipped into the second hole of a playoff to beat the Australian for the Masters title. Since then, Norman has played well but not well enough for serious contention in the majors.

The last chance for Tway and Norman to recoup some of their winning touch of 1986 will come when the 69th PGA Championship is held on the home course of that organization — the PGA National Championship Course in Palm Beach Gardens, Florida — this weekend.

Norman was the favorite to win when the 1986 PGA Championship opened at Inverness in Toledo, Ohio.

But this time neither Tway nor Norman will be the single favorite, although each has to be closely considered for the title, which may be won by a man who can survive heat better than others.

Also promising in the field of 150 pros are Paul Azinger, who is having a big year with three tour victories and a near miss at the British Open; Scott Simpson, surprise winner of the U.S. Open in June; Tom Watson, who missed the United States Open title by a stroke and has yet to win a PGA Championship, and Seve Ballesteros of Spain, who finished in a tie for second at the Masters and was in third place at the U.S. Open.

It is not easy to consider Nick Faldo, the Englishman who won the British Open by a shot 15 days ago at Muirfield, Scotland, a serious threat this week.

One might, however, give the 47-year-old Jack Nicklaus a slight chance to win on a course just a long chip shot from his home in North Palm Beach. Nicklaus won his first of five PGA Championships at the Dallas Athletic Club course in 1965, when he was 23 and the temperature was 110 degrees Fahrenheit (43 degrees centigrade) on the final day.

It is a Florida resort course that is the most testing of four courses in the PGA Sheraton complex where the PGA of America has its national headquarters. National Champions, with considerable strength and length from the back tees, may need a shot like Tway's winning bunker shot last year to become a memorable course.

Water has something to do with each of the 18 holes on the course, although the ponds and canals don't often come into play for the world's best players unless winds blow strongly.



Bob Tway, the defending champion, during a practice round.

Pros Say the Greens Are Below Par

PGA of America officials announced Wednesday that they had increased the purse from \$800,000 to \$900,000. The first prize will be \$150,000.

More than prize money is at stake. The PGA Championship is the final tournament in which the pros can qualify for the 1987 U.S. Ryder Cup match. The biennial Ryder Cup matches will take place Sept. 25-27, at Jack Nicklaus's Muirfield Village Golf Club in Dublin, Ohio. The 12-man U.S. team will attempt to regain the trophy it lost to the European team two years ago.

The winner of the PGA Championship will automatically qualify for the Ryder Cup team, as did Scott Simpson by winning the U.S. Open in June. Paul Azinger, winner of three PGA Tour events this year but loser by one stroke to Nick Faldo in the British Open last month, must win this championship to make the team. Tom Watson, who hasn't won in more than three years, must also win to assure himself a spot on the team.

Jim Awtry, executive director of the PGA of America, said Wednesday, "I firmly believe tomorrow we'll have the putting surfaces."

But by midafternoon Wednesday, the players were still complaining about the slow greens.

OBSERVER

Land of the Mouthpiece

By Russell Baker
NEW YORK—There is a body on the floor. A policeman finds you standing over it, smoking gun in hand. You need a lawyer. Fortunately, you have plenty to choose from because you have been watching the Iran-contra hearings for weeks.

time and money trying the case and walk out in a huff.
You waste no time on Brendan Sullivan and Richard Becker, who sat with North and Poindexter. Sullivan would turn the judge into a hangman by lecturing him on the Constitution, and you'd have to keep Becker nailed to the courtroom floor to stop him from trying to duke out the district attorney.

Naturally you think of Orrin Hatch, not just a senator from Utah but also often gossiped about as Supreme Court timer. But you don't retain Hatch, do you? You've studied Hatch too closely on TV. You know his bad news.

Warren Rudman, possibly? Another senator. Republican. Boston College Law, 1960. For six years he was attorney general of New Hampshire; to wit, a prosecutor. Despite his Republicanism, he frequently demolished the administration's defense.

David Sanborn: Back on Track

By James McBride
WASHINGTON Post Service
NEW YORK—It was five years ago, and alto saxophonist David Sanborn was facing one of the most important choices in his life. He had been around the world. He had played in blues dives from San Francisco to Houston, and major concert venues from Montreal to London. He had played on hundreds of recording sessions, traded licks with Paul Butterfield, funk-ed with Stevie Wonder, rocked with Bruce Springsteen, toured with the Rolling Stones, made friends in Rickie Lee Jones, and James Brown. He had been with them all. Him and the horn. Especially the horn, because sometimes he was so high he wasn't there and the horn seemed to play itself.



Alto saxophonist Sanborn: "I feel good about what I do."

All his life, the horn had been a way out for him. Polio at age 3 confined him to an iron lung; for a year after that he was paralyzed from the neck down, and today he has a barely noticeable bit of atrophy in his left arm and right leg. But when he was 10 he heard Ray Charles on the radio with an alto sax man named Hank Crawford and he was knocked out. Young David Sanborn picked up an alto saxophone and wandered into the no-man's-land of rhythm and blues joints in his hometown of St. Louis, Missouri. He played with people whose music made them feel free, blacks who poured their passion and soul into the music, and he, too, learned to pour passion and soul into his horn.

In the years that followed he also learned to pour "four to five" bottles of wine down his throat a day, and various drugs. Five years ago he caught up with him, and for the first time in his life his horn couldn't help him, or do I want to be a musician? He decided on the latter, and quit drugs, alcohol, even caffeine. And while he was at it, quit being a sideman, too.

with saxophones, books, a waist-high jukebox packed into a metal case on wheels that he takes on the road, and a Yamaha grand piano with a music book open to a jazz version of "My Favorite Things." His Grammy awards are lined rather unceremoniously on the windowsill, under the air conditioner blasting overtime, right next to the small dining room table that seats only two. Sanborn, 41, divorced, lives alone. His son Jonathan, 21, is a bassist attending the Berklee College of Music in Boston.

now asking me about the old days, what it was like. I don't feel old. Neither does he look old. Darkly handsome and thin, with a twinkly wise-guy grin and an outrageous lip high grace presence—horn twisted to the side of his body in total funk repose—Sanborn could easily pass for 30 unless you look closely enough to see the twinges of gray in his hair.

PEOPLE

Record \$3 Million Paid For Paperback Rights

The paperback rights to Sean Trower's "Presumed Innocent," a novel about a murder and a public prosecutor in a large Middle West city, were sold for \$3 million to Warner Books, the largest sum ever paid for reprint rights to a first novel. Sydney Padlock bought the motion picture rights for \$1 million. Trower, a 38-year-old Chicago lawyer, spent six years writing "Presumed Innocent," signing with Farrar, Straus and Giroux for \$200,000—the most that has ever been paid for a first novel.

John Huston spent his \$14 million Tuesday in the intensive care unit of a Fall River, Massachusetts, hospital, as cameras continued to roll in nearby New Bedford. Huston, 72, for "Mr. North," a film produced and co-written by Huston and directed by his 25-year-old son, Danny. Huston was in the hospital for a small role in the film, although he has now been replaced in the cast by Robert Mitchum. Huston was admitted to the hospital on July 28 following two heart attacks.

Harry S. Truman left behind a hefty manuscript that promises to become a provocative best seller when it is published next year. A spokesman at Little, Brown said the late president's daughter, Margaret Truman Daniel, is putting a rambling 2,000-page manuscript into shape. The status of Truman damaged by his bombastic applied it off its marble pedestal. Athens 16 months ago, was erected at dawn Thursday.

Edna Merrick, the wife of the millionaire Broadway producer David Merrick, was awarded \$375,000 after telling a New York judge her busy husband wasn't paying her money to meet household expenses. Mrs. Merrick, 42, said the problem arose because her 70-year-old husband "is one of the great countries of the world." He is in London, now working on two projects, a musical and a French comedy farce. "I'm not going to take the money now, but we should run into a problem, I'm sure."

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE
Appears on page 14

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